

Handwritten note in a box: "Kris..."

Business leaders call for U.S. budget compromise

BY DAVID LASCELLES IN NEW YORK

BUSINESS LEADERS, showing mounting anxiety about the U.S. budget crisis, yesterday urged the Administration and Congress to hasten their efforts to find a compromise.

The call was issued by the Business Roundtable, an elite lobby group consisting of senior executives of many of the largest companies and banks. It is headed by Mr. Clifton Garvin, chairman of Exxon.

In addition to reducing the deficit to a more tolerable level, Mr. Domenici believes that his savings would be politically more acceptable than the sharp cuts in most non-defence programmes proposed by the President.

Adding to the credibility of Senator Domenici's plan, the senior Democrat on the budget committee, Senator Ernest Hollings, has produced a similar proposal, differing mainly in its treatment of President Reagan's 1983 tax cut. Senator Hollings wants it eliminated, while Senator Domenici believes that revenues should be raised in other ways.

The White House is certain to oppose any tampering with the 1983 tax cut. The Treasury Secretary, Mr. Donald Regan, repeated this yesterday. But Senator Domenici said that he would compromise with the Democrats on this issue and that he believes there would be enough support in Congress.

Despite these hopeful signs, there is little optimism in the Congress about a speedy resolution of the budget impasse. The sort of spending freeze being discussed in the Senate is almost certainly unacceptable to the House of Representatives, which has a Democratic majority. Many House Democrats are implacably opposed to the idea of eliminating cost-of-living increases on social security payments, which would be the most important part of any spending freeze.

Reuter adds: Mr. Donald Regan, the Treasury Secretary, has said he favours placing a limit on the amount of benefits a company can reap under the tax leasing provisions of last year's Bill cutting business taxes.

He told a House of Representatives subcommittee that a ceiling should be placed on tax leasing because some companies budget deficit to around \$90bn.

Salvador coalition Cabinet takes office

BY Hugh O'Shaughnessy

EL SALVADOR'S Christian Democrats, extreme Right-wing Arena and conservative Party of National Conciliation (PCN) have each gained four seats in the 15-strong cabinet appointed in San Salvador on Tuesday. The other three seats are filled by independents.

The list of the new Cabinet was announced by President Alvaro Masana after more than a month of bargaining since the elections for a constituent assembly in March.

The Christian Democrats, led by the then President Jose Napoleon Duarte, polled more than 40 per cent of the vote but were defeated by an alliance of conservative and extreme Right-wing parties.

The four Cabinet seats given to the Christian Democrat Party are seen as the result of pressure by the U.S. Government, which has strongly supported the group.

Washington has made it clear that any Salvadoran Government of the extreme Right would find difficulty securing support from the Reagan Administration.

U.S. officials have made the same point to the Salvadoran army, whose survival at the hands of Left-wing insurgents depends on continuing U.S. military assistance.

Gen. José Guillermo García-Defence Minister in the Duarte Government, continues in the post.

The leading Christian Democrat in the new Cabinet is Dr. Fidel Chávez Mena, who is replacing the outgoing Foreign Minister he had in the Duarte Administration. Dr. Chávez Mena, a leading figure on the Right of the Christian Democratic Party.

The leading representative of the extremist Arena is Sr. Miguel Mayschmidt Yudeca, at the Agriculture Ministry. Arena often declared its opposition to former President Duarte's land reform plans though these were never fully put into practice.

The appointment of an Arena Minister to the agriculture portfolio is seen as effectively ending an agrarian reform which in any case was seen to be beyond the financial possibilities of any Salvadoran government during the present civil war.

Mary Helen Spooner in Santiago analyses the reasons behind recent cabinet changes

Growing pressures on Chile's market economy

THE eight-year-old régime of Chile's President General Augusto Pinochet is attempting to solve his country's current economic difficulties without creating any fluctuations in major policy which could give an impression of indecision and further erode confidence in the economy.

On April 19 the régime's ministers and other Cabinet level officials were abruptly ordered to hand in their resignations, in order to make way for new appointments.

Three days later, a visibly tired General Pinochet announced the cabinet changes, which included the dismissal of two of his closest collaborators, Sr. Sergio Fernández, the civilian Interior Minister, has been replaced by a military officer, the vociferously anti-Communist General Enrique Montero, Chile's respected U.S.-trained Finance Minister, Sr. Sergio de Castro, has also been removed.

Chilean officials insist that no major changes in the country's free market economic model are contemplated and point out that Sr. de Castro was replaced by a like-minded civilian, Sr. Sergio de la Cuadra, former president of the Central Bank.

Yet Sr. de Castro's dismissal is thought to be the result of pressures from those nationalistic officials within the Government who would like to see the state play a stronger role in the economy. This group consists mostly of military officers.

Up to now this internal division between the hardliners and civilian economic officials, such as Sr. de Castro, has been skilfully mediated by General Pinochet. The removal of the Finance Minister and the reduced number of civilians in the cabinet—from 11 four years ago to 6 last month—indicates the hardliners' growing influence.

Outside the Government, support for the free market model among Chile's business community appears to have ebbed significantly. Estrategia, the Chilean financial newspaper, recently published the results of a poll which showed 87 per cent of respondents indicating the Government should take steps to rectify the country's economic problems; less than 10 per cent thought the free market model contained the necessary mechanisms to correct these difficulties.

Meanwhile, international lending to Chile has declined, partly because of world recession and partly because of foreign bankers' concern over the growing number of bankruptcies and the Pinochet régime's move late last year to take administrative control over eight Chilean banks and finance



General Augusto Pinochet: maintaining confidence.

Chilean manufacturers and exporters at a severe disadvantage.

On the other hand, a devaluation of the peso would almost inevitably spur inflation, as well as provoke a damaging atmosphere of uncertainty over the Government's dedication to its own policies.

Bad debts and faulty administration continue to plague Chile's banking system. After selling some of its state-managed financial institutions and closing down the others earlier this year, the Government must guarantee depositors' accounts during the period of its intervention.

Chilean officials seem to think the efforts to prevent such financial institutions from collapsing are worth the high administrative cost. According to Sr. Sergio de la Cuadra, the régime spent the peso equivalent of U.S.\$800m during its management of the eight banks and finance companies it took over last year.

That expenditure has contributed to a threatened budget deficit of more than \$1bn for this fiscal year, after several years of modest budget surpluses. To avoid such a deficit

the régime recently announced a series of tax increases which drew fire from Chile's business community. While Chilean labour groups expressed concern about the possibility of increased unemployment caused by the budget reductions, Government officials now say they are studying the possibility of eliminating income tax altogether and establishing a graduated tax on consumption, while General Pinochet has ordered a freeze on all dismissals in the public sector.

Unemployment in Greater Santiago, according to the latest figures from the National Statistical Institute, has reached 15 per cent, though many private economists put the figure as high as 20 per cent.

The mounting financial problems in Chile have also produced some defections from the ranks of the régime's economic supporters. The most spectacular in recent weeks has been that of former President and conservative leader Sr. Jorge Alessandri.

In a recent speech Sr. Alessandri called on the Government to alter the fixed exchange rate and to raise import tariffs in order to protect Chilean manufacturers. A recognition of past errors in its economic policy, he said, should not hurt the Government's credibility but instead "enhance its prestige."

Clark demands poll over failure of Alsands scheme

BY VICTOR MACKIE IN OTTAWA

MR JOE CLARK, leader of the official opposition in the Canadian Commons, has challenged the Liberal Government to call an election on energy policy.

In a fighting speech leading off an emergency debate in the Commons on Tuesday night, Mr Clark described the cancellation of the Alsands project and a two-year delay in the Alaska Highway natural gas pipeline "an unprecedented economic crisis."

Liberal Government policies have led to a "step by step disintegration" of the oil industry that has cost more than 200,000 jobs, said Mr Clark, who leads the Progressive Conservative Party.

Mr Allan MacEwen, the Minister of Finance and acting

Nicaraguan accord signed in Moscow

RUSSIA yesterday promised to help Nicaragua prospect for mineral resources and to develop its mining industry under a bilateral agreement, Reuter reports from Moscow.

The accord, announced on the second day of a visit to the Russian capital by the Nicaraguan leader, Sr. Daniel Ortega, also covered Soviet help with the development of farming, health protection, engineering and communications.

Sr. Ortega met President Leonid Brezhnev on Tuesday and at a dinner the Soviet leader said Moscow wanted closer bilateral links but still approved of Nicaragua seeking to improve its strained relations with Washington.

\$50m Colombian aid to fight poverty and coups

SAN ANDRES — Colombia is to provide \$50m (£27.9m) in aid to Central America, and the Caribbean countries to help combat high oil prices, poverty, military coups and revolution in the area, the Colombian Ministry of Development has announced.

Economic and Development Ministers from 21 Central American and Caribbean countries began a three-day meeting yesterday on the Colombian island of San Andrés.

Nicaragua, which has a territorial dispute with Colombia, was the only country of 22 invited which decided not to attend.

The U.S., Canada, Mexico and Venezuela are sending observers to the meeting. These nations have pledged \$2.3bn to help stabilise Central American and Caribbean economies.

Colombia's \$50m will help finance technical programmes, worker-training and co-operative development.

The Colombian Government also plans to tell the Latin American and Caribbean nations that each will get a \$10m line of credit to finance Colombian imports.

The U.S., which is contributing to the aid plan, promised duty free status for most products imported from nations which are in basic agreement with U.S. policies in the area. Textiles and sugar are not included.

The U.S. said U.S. companies investing in the region would get a 10 per cent investment tax credit.

AP-DJ

Typewriter or word processor?

It depends on how much you need to remember

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So that some, for example, can store a short phrase like 'yours sincerely'.

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Let's start with a guided tour of our basic model, the Olivetti 121, and work up.

The smallest memory.

The first thing you'll notice is how quiet it is. Like someone typing in a cupboard.

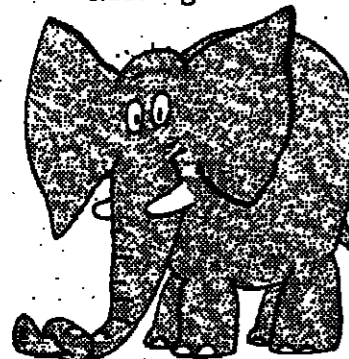
When you take the lid off you'll have another surprise.

It seems empty.

Instead of levers, swivel joints, and springs there are microchips and sensors.

And instead of handfuls of clattery keys there's a 'daisy wheel' with all the letters on little stalks.

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Our 121 typewriter can remember 1 line.

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The 121 can store a line of type. It can't print it back for you, but it can correct any or all of the characters you instruct it to.

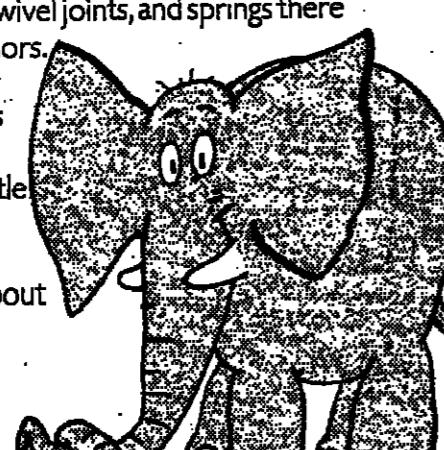
It's bigger brother is called the 221.

The growing memory.

It can memorise two lines or 100 words.

What's more, it'll show them to you on a visual display panel before it prints them.

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With equal precision it will justify a line to the right hand margin, to give a neat edge like a book's, not a ragged one like a letter's. It'll also recall standard phrases on demand: your title, for example.

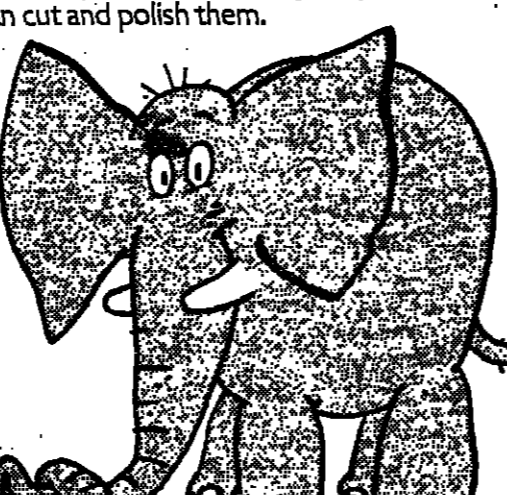
Your secretary just presses a key and it'll print it perfectly, as many times as she wants.

The start of something big.

These features alone are worth the extra money (and if it's any interest to you, the 221 is seen as the 'hot' machine inside Olivetti).

But if you want a typewriter that can store even more inside you have only to look at our 231.

It can remember seven pages. And print half



Our 231 typewriter can remember 7 pages.

over 250 words a minute, with different names and addresses on standard letters, so that each seems individually written.

Even this Leslie Welch of a machine, however, is surpassed by something better, the ETS 1010.

Our Jumbo-sized memory.

We designed this, our most accomplished word processor, round our electronic typewriters (the 121 and 221, see above).

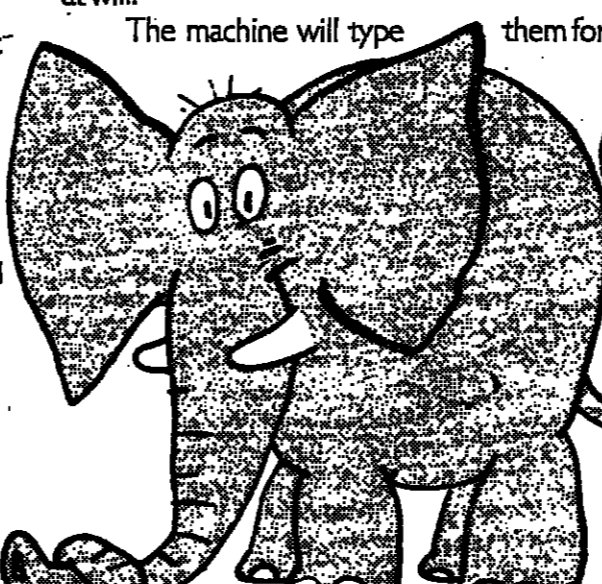
Machines your secretary will already know and feel at home with.

If you like, you can buy the typewriter part first and add the word processing part later.

This consists of a memory store with a screen called a VDU (visual display unit) which you can see in our photograph.

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The 351 stores its information on floppy discs, or, as the computer generation insists, 'disks'.

However you spell it, it's a great concept. Each disk can store 64 pages of information, and you can use as many disks as you need.

Thus you can hold all your letters and documents in negligible space, and call them back at will.

The machine will type them for you at

While our ETS1010 word processor can remember 130 pages.

form the cornerstone of an automated office.


The cost of memories.

Storage space costs money whether it's in a warehouse, a typewriter or a word processor, and the more you pay, the more you get.

For example, you can lease our 121 for as little as £5 a week. The 221 for £7.50 a week. The 231 for £10 a week. Whereas the 351 with the outside memory store will set you back around £15 a week. And the ETS 1010 under £30 a week.

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Shrimp in mustard sauce. And this is before dinner.

The vegetables are crisp, the roast beef is precisely the way you want it, the fish is succulent, the wine flows endlessly, the fruit ripened to perfection, the cheeses imported,



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You will experience more space in First Class on every Pan Am widebody 747 and L1011. (And we have more widebodied jets than any other airline, by the way.) This is largely a function of the fact that we usually put fewer seats in the same amount of space as any of the other airlines.

The truth is, there is more space in and around our seat than anyone has been able to find any practical use for.

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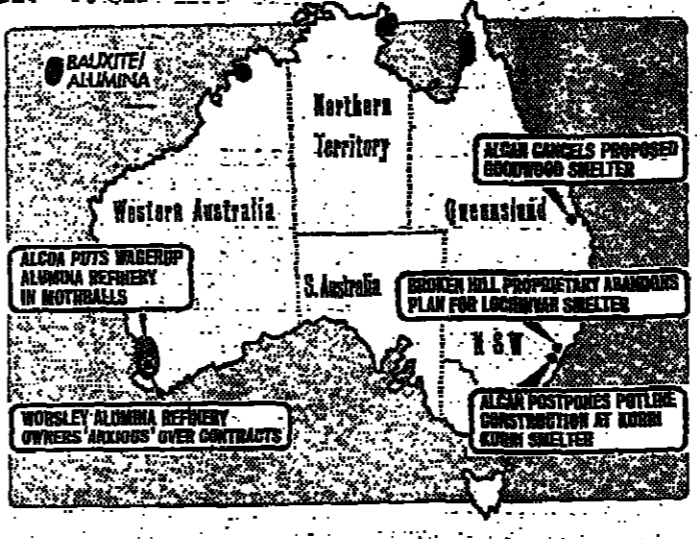
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OVERSEAS NEWS

Michael Thompson-Noel reports on cuts in Australia's aluminium sector
Hard times for the 'Cash-a-Can' kids

AUSTRALIAN stock markets have for months felt the effects of the recession that has gripped the mining sector...

meant the abandonment or deferral of numerous major projects, and a severe re-appraisal of Australia's ability to claim her place as a major aluminium supplier...



China budgets for record grain harvest

CHINA IS budgeting for a record grain harvest this year despite a severe drought in several of its northern wheat-growing provinces...

Israeli opposition joins attack on army shootings

MODERATE Palestinian mayors and members of Israel's opposition Labour Party yesterday launched a fierce attack on the way the Israeli army has handled the recent disturbances in the occupied West Bank and Gaza Strip...

Suharto set for landslide

By Richard Cowper in Jakarta. PRESIDENT SUHARTO'S army-backed 'new order' regime in Indonesia seems set to win its third landslide election victory in a row following charges of unfair play by the country's leading opposition group...

Strike closes Volkswagen plant in South Africa

A RASH of strikes by black workers has brought almost a dozen plants in South Africa to a standstill. By yesterday, about 9,000 workers were on strike...

Shipbuilding drive

A SIGN of China's determination to step up its shipbuilding activities was the establishment this week of a new corporation to oversee the country's shipyards...

Three of 690,000 WELT readers. DIE WELT is one of the newspapers I read every day in order to be as widely and comprehensively informed as possible about the problems of the day and especially about economic events. Decision makers' daily in Germany.

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Handwritten note: 10/10/10

UK to tighten Nigerian export credits

BY MICHAEL HOLMAN AND QUENTIN PEEL

EXPORT CREDIT guarantees for trade with Nigeria will only be awarded for normal credit terms of up to 180 days, except for major contracts involving capital goods, British exporters were warned yesterday.

Rules on the granting of export insurance with Nigeria will be, if anything, more strictly enforced in the wake of the Nigerian government's clampdown on imports witnessed last month, Mr Joe Wilmot of the Export Credits Guarantee Department (ECGD) told a London conference yesterday.

British exports to Nigeria, which last year reached £1.5bn, are likely to be cut by as much as £500m this year because of the curbs, and consumer goods exports will be the hardest hit, Mr Wilmot said.

The aim of the Nigerian measures, announced by President Shugu Shugu on April 29, is to cut the monthly import bill from an average \$1.5bn to \$1.2bn, because of a monthly trade deficit of around \$600m.

Details of how the Nigerian moves will affect exporters were spelled out at a conference of the London Chamber of Commerce and Industry by officials from the Department of Trade, the ECGD, and Nigerian trade specialists from Standard Chartered Bank and the Société Générale de Surveillance, the company responsible for pre-shipment inspection of virtually all Nigerian imports.

Mr John Rivett, of the business development division of Standard Chartered Bank, warned that the new regulations, including higher import duties, stricter licensing of imports, extension of the pre-shipment inspection scheme, and a slowdown on all new capital projects, would last at least until the next budget in October, if not for a full 12 months.

Nigeria's trade balance has been drastically affected by a slump in its oil production, down from some 1.5m barrels a day in January to an average of little more than 900,000 b/d in March.

The fall in oil earnings has seen a consequent drastic fall in foreign exchange reserves. These have fallen from Naira 5.6bn (24.6bn) in October 1980 to Naira 3.4bn by the end of last year. At the end of March this year, said Mr Rivett, they had dropped to Naira 1.3bn and are now thought to be about Naira 700m—only two weeks' import cover.

"Pre-shipment inspection is here to stay," Mr Rivett warned the seminar, pointing out that the policy is estimated to have saved Nigeria Naira 577m in three years.

Under new measures, pre-shipment inspection will be mandatory for all exports to Nigeria above Naira 5,000. But Mr Rivett confirmed that "all invoices about that figure will be subject to pre-shipment processing by the Central Bank, who will determine whether or not inspection is required" and it is expected that the majority of goods between Naira 5,000 and Naira 10,000 will be inspected.

Under the new measures the Government has introduced what is effectively a priority import list with the level of deposits required from importers ranging from 50 per cent for food (except rice, which is exempted) to 250 per cent on passenger cars.

The deposits—which are non-interest-bearing—are payable when Form M (the essential document for foreign exchange remittances) is submitted to the commercial bank.

"Unless the importer complies with this requirement," warned Mr Rivett, "no foreign exchange will be released." Banks will issue a credit advice quoting the relevant Form M, and it was "essential," he told the seminar, to obtain a copy of Form M at an early stage.

Swedish group wins £24m South Yemen deal

By William Duffell, Nordic Editor, in Stockholm

ABV, THE Swedish construction group, and Compagnie Française d'Entreprises (CFE) of Belgium, have won a \$24m (£24m) contract to build a harbour at Al Mukalla in South Yemen. The order was placed by the South Yemen Port Authority.

The harbour, located some 700 miles north-east of Aden, will contain a quay 520 metres long and will be capable of receiving vessels of up to 10,000 tons. It will also serve as a fishing harbour, ABV reported yesterday.

The work on the project is to start immediately and the contract stipulates that it shall be completed within two years. Building materials and machinery will have to be conveyed to the site by sea.

ABV, Sweden's second largest construction concern, expects to reach a turnover this year of around Skr 7bn, of which roughly a quarter will be generated outside Sweden.

While ABV has been active abroad for only 10 years, CFE has been handling foreign contracts since the 1940s. CFE has an annual turnover of around \$400m.

The emphasis in the carrier market is on demolition, not buying, Andrew Fisher writes 'Tankers for scrap' sales rise sharply

"IT BROKE my heart to sell such ships for scrap," said a rueful Mr Ronald Ilian, head of BP Shipping, of the three big tanker groups for demolition last year. Apart from the need to dispose of them at all, he was particularly sad that the VLCCs (very large crude carriers) were equipped with the latest safety and anti-pollution equipment.

But the emphasis in the world's tanker markets has for some time been on scrapping rather than buying VLCCs or ULCCs (ultra large). In the first few months of 1982, the pace of sales for demolition has risen sharply. But shipping experts still feel there is a long way to go before the vast tanker fleet surplus comes down by anything like enough.

While the activities of a few errant Argentinian scrap metal merchants on the former whaling island of South Georgia may have caught world attention before the Falkland Islands were invaded, the demolition needs of the international tanker owners are on a much larger scale. Last year, a record 49 VLCCs were sold for scrap, representing 5 per cent of the world VLCC fleet.

So far this year, at least 8m deadweight tons of tankers have been sold to the breakers, well over half the figure of over 13m dwt for all of 1981. Exxon, the major U.S. oil concern, has disposed of five VLCCs of around 250,000 dwt each in recent weeks, thus appearing to bear out Mr Ilian's remark that "1982 will be a watershed year."

Mr Ilian's pessimism was expressed at a recent London meeting of the International Maritime Industries Forum (IMIF), a grouping of shipowners, shipbuilders, bankers and oil companies. He reckoned that equilibrium for the tanker fleet was as far away as ever.

Many operators, including oil companies, would have to make up their minds whether they want to stay in the shipping business, he commented gloomily. It could well be as late as 1987 before supply and demand at the larger end of the market started returning to balance.

Apart from recession, the tanker sector has suffered from the changing patterns of world oil trading. With more crude oil coming from sources like Alaska, Mexico, and the North Sea, there is less need for super-tankers to sail to and from the Gulf.

The size of the world tanker fleet is about 360m dwt, including combined carriers which can also be used for dry cargoes. Oil and shipping experts generally reckon that only 250m dwt or so of oil carrying capacity will be needed up to and beyond 1985, thus leaving a huge surplus.

If the IMIF had its way, more would be done to promote scrapping around the world. But

Many operators, including oil companies, will have to make up their minds whether they want to stay in the shipping business. It could well be as late as 1987 before supply and demand at the larger end of the market start returning to balance

WORLDWIDE SHIP DEMOLITION (million dwt)

	1977	1978	1979	1980	1981
Dry cargo/passenger ships	1.8	5.2	4.8	2.5	1.5
Tankers	9.2	14.8	5.5	8	12.5
Total	11	20	10.3	10.5	15

Source: R. S. Platou, Oslo

"scrapping is a timid industry," noted Mr Michael Champness of the London shipbroking company of John I. Jacobs, who was also at the IMIF meeting. "It is gravely undercapitalised."

Taiwan leads the world scrapping league and last year took 32 VLCCs for demolition. Taiwan has 10 berths theoretically capable of handling 60 VLCCs a year, or some 15m dwt. South Korea, which took eight VLCCs last year, is the next largest force in the industry. Altogether, total world scrapping capacity is put at up to 20m dwt a year. But there are still nearly 200 ships of the type most vulnerable to scrapping—tankers of 200,000 dwt or more built up to 1972.

On this basis, there are some years to go before the tanker fleet matches demand. Organisations like the IMIF and Intertanko (International Association of Independent Tanker Owners) want to see more countries develop demolition capacity. Nigeria and China are two possibilities.

"If you can build a ship, you can demolish one," said Mr Champness, who would like more shipyards to turn in part to scrapping rather than building. As for end-use, the IMIF has been trying to interest European construction companies in using rolled steel from ships, but with no real success to date.

Earlier this year, a minor scrapping landmark was reached when Pakistan took its first VLCC for breaking up on Gadani Beach. The French-owned Brumaire was sold for under \$4m. Built in 1971, the 230,000 dwt vessel was in "superb condition," said Mr Peter Greenhow of Harley Millon, the UK shipbroker which fixed up the sale. "It was a casualty of the shipping market."

He was on the ship in February as it was taken to the beach, which already had 90 vessels of various sizes and stages of break-up. The Brumaire will probably yield 34,000 tons of steel and be demolished by July. If the price is right, he hopes to sell Pakistan another VLCC. But the world steel depression has not helped scrap prices.

In these tough shipping times, the grim business of sending ships to the graveyard is as welcome for brokers as any other. Mr Greenhow reckoned that between a third and a half of his company's turnover came from ship sales for demolition.

CHARLES DE GAULLE AIRPORT Terminal two—a radical departure

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BUSINESS AND other travellers between London and Paris by Air France are now using a new facility—Terminal Two at Charles de Gaulle Airport (called CDG-2) at Roissy—which has just become fully operational.

Built at a cost of more than \$100m, it represents a radical departure from the original air-ship-shaped Terminal One at Charles de Gaulle (CDG-1) by reverting to the "linear" concept (that is, with the buildings along a line on either side of a main access road).

The Paris Airports Authority, which designed and built both terminals at Charles de Gaulle Airport, found that the circular shape of CDG-1 proved too complicated for both airlines and passengers.

Air France, which together with Air Inter, the French inter-continental airline, are the sole users of CDG-2, preferred to return to the linear concept, because of the easier handling it provided for both passengers and baggage.

The new CDG-2 terminal was first opened late last year, and throughout the winter both Air France and Air Inter have progressively moved into it.

It is now the main base for Air France's short-haul European flights, and for most of its long-haul operations, although some long-haul services, such as those to the Caribbean, still use Orly Airport, on the other side of Paris.

Only Airport is being retained for many French domestic flights for the Caribbean and some other long-haul operations, and many European short-haul flights by international airlines.

The move by Air France from CDG-1 to CDG-2 has been dictated by growing congestion.

CDG-1 is now virtually at saturation point of 10m passengers a year—it is used by long-haul airlines serving Paris as well as many foreign airlines short-haul including British Airways and British Caledonian.

The new CDG-2, with its two curving terminals on either side of the main access road (CDG-2A and CDG-2B), is capable of carrying up to another 10m passengers a year CDG-2A, on one side of the access road, is for Air France long-haul flights, while CDG-2B on the other side of the road is for short-haul flights, including those between Paris and London.

One of the problems that this move has thrown up is that the original concept of a Channel Air Bridge, with both British Airways and Air France operating from the same locations in both Heathrow and Charles de Gaulle is now disrupted.

In London Heathrow, both airlines use the new Earls Court, which links both Terminals One and Two, with a common departure and arrivals gate system.

In Charles de Gaulle, whereas both British Airways and Air France formerly used the same gate system in CDG-1, now only British Airways (and British Caledonian) use CDG-1 whilst Air France has moved its London flights to CDG-2.

British Airways was offered the chance of also using the new CDG-2, but declined because it could not get its own handling operation there.

This split in the Channel Air Bridge at Paris end may prove inconvenient for some transit passengers, but there is a shuttle bus service between CDG-1 and CDG-2.

"...with copies to the Chief Executive, Company Secretary, and..."

MEMORANDUM

Draft: For Presentation at London Board Meeting, July 1982

From: General Manager, North American Operations

Re: Our U.S. Activities

When we last met, we discussed the need to improve the firm's image in America. It now seems advisable to summarize our discussion and make a formal recommendation.

American corporations will spend an estimated \$1 billion on corporate advertising in 1982. While such advertising may appear self-indulgent to some, Americans understand its purpose: to establish identity and build awareness.

Aside from those objectives, we should consider corporate advertising as a means of supporting our plan for acquisitions, and attracting potential joint venture partners and employees.

If corporate advertising can help achieve these goals (and the experience of American corporations suggests it can), then funds so devoted will be well invested. Such a strategy should be considered a long-term investment, not unlike an investment in capital goods.

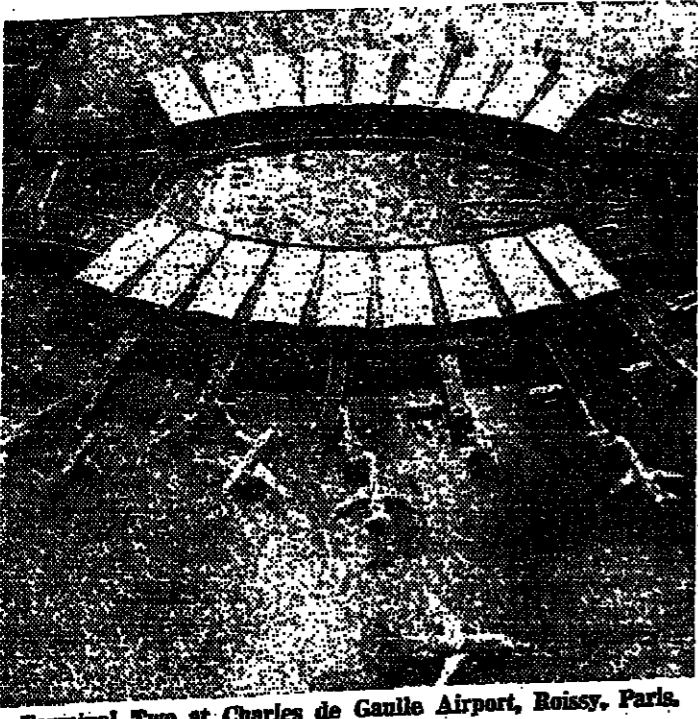
The cost need not be exorbitant. A campaign to run exclusively in The Wall Street Journal, the medium preferred by American business, will suffice. I stress the importance of maintaining a corporate presence in this publication. It is an institution in America, read by nearly every executive one encounters throughout the U.S.

As Manager of North American Operations, I request approval of the attached budget for an initial program. With Board approval, I shall authorize our advertising people to begin preparation of proposals.

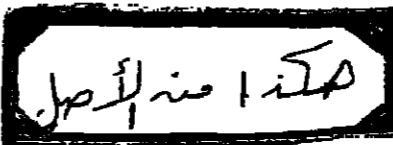
encl.

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Terminal Two at Charles de Gaulle Airport, Roissy, Paris.



U.S. 'drops plea' Bubble and squeak jumps out of the frying pan... and into the freezer

BY DAVID FISHLÖCK, SCIENCE EDITOR

THE U.S. has abandoned plans to buy or lease plutonium from Britain to help to meet its growing demand over the next few years.

This is the understanding of senior British Government officials, who believe that the Reagan Administration accepts that the Pentagon must make its own arrangements to provide extra plutonium for nuclear weapon programmes.

The U.S. Government approached Britain last year with a request for plutonium from Britain's civil stockpile. This stockpile has accumulated through the reprocessing of spent nuclear fuel from the electricity-generating Magnox reactors of two British electricity utilities.

According to figures recently disclosed by the Department of Energy, Britain has a stockpile of 33 tonnes of civil plutonium, increasing at the rate of two tonnes a year.

Fears had been expressed by the nuclear industry that if the Government agreed to sell or lease plutonium to the U.S. to help to provide the "tons of tonnes" the U.S. requires for a fast-breeder reactor development programme, it would allow scarce U.S. plutonium stocks to be made available to the Pentagon.

The Central Electricity Generating Board was perturbed that such a deal between the two governments could hamper

BUBBLE AND SQUEAK, the traditional British way of making leftover potatoes and cabbage palatable, is making a comeback in London in the shape of a fast food.

Two bubble-and-squeak restaurants have been opened and a third is on the way. All will offer a take-away service.

"We have so many superb foods in this country that have been forgotten about," said Mr Peter Marshall, the man behind the project.

There is, however, a lot more bubble than squeak in Mr Marshall's version of the dish.

Raymond Snoddy reports on restaurants with 'something traditionally English' on offer

"We decided that cabbage was not a very marketable thing," he says. The new bubble and squeak is made from shredded potatoes, onions and herbs and owes more to the Swiss version of the dish—Rosti—than the British.

It is really intended as a hunk substitute to wrap around egg, cheese, beef-burger and corned beef fillings.

Mr Marshall, who has been made redundant three times from marketing posts in large leisure companies, is using £50,000 of his money to

back his view that there is a need for a new British fast food to combat such foreign invaders as the hamburger and the pizza.

Barclays Bank has given Mr Marshall a loan of £135,000 — £70,000 under their business start-up scheme. The Industrial and Commercial Finance Corporation has provided £70,000 and holds 30 per cent of the equity.

The bubble and squeak restaurants have been called Knights, after Mr John Knight, who made real

huddle and squeak in his transport cafe in Leigh Street near Euston Station for nearly 40 years. Five years ago, when Mr Knight retired, Mr Marshall took over the transport cafe and turned it into a wine bar. One of the new restaurants is four doors away.

Mr Knight still lives in the neighbourhood and regularly eats the new product — although, he points out, it is rather different from the transport cafe version.

For some years Mr Marshall had believed in the medium-

and long-term prospects for the fast-food market and had been looking for a "traditional" English product.

He considered casseroles and steak-and-kidney pies.

"One day I was talking to a food manufacturer and said that I was just off to make myself some bubble and squeak. He said he had made some the previous day and wasn't it delicious. It was almost eureka," Mr Marshall said.

It took more than a year of experimenting to turn bubble and squeak into a fast

food. Pre-cooked potato fell apart and was difficult to handle.

Now the process has been refined. The bubble is made in the company's own manufacturing kitchen and takes 2 minutes, 12 seconds to cook in the restaurant.

Mr Marshall believes that his fast food bubble and squeak will have national appeal and would also be successful in the U.S. But without the backing of a larger group, he says, Knights would not have the resources to expand beyond three or four restaurants in the immediate future.

Judge orders owner to sell twice-chartered ship

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A SWEDISH shipowner chartered a vessel to a Belgian ferry operator in flagrant disregard of the fact that the vessel was already on charter to a Canadian company, a Commercial Court judge said yesterday.

Mr Justice Parker resolved the dispute, which resulted from what he described as the "extraordinary conduct" of Stena Line, of Gothenburg, owner of the Stena Nautica, by a judgment of Solomon.

He said Stena should sell the Nautica to the Canadian company, C. N. Marine, for £811.8m (£536m), as provided for in the Canadian charter and C. N. Marine should let the vessel complete her two-year Belgian charter to Regie Voo Moritien Transport.

For the past few months Regie has been operating the Nautica as a car/passenger ferry on the Dover-Ostend route in association with British Rail.

C.N. Marine and Regie were

IoD proposes giveaway of state loss-makers

Financial Times Reporter

THE INSTITUTE OF Directors urged the Government yesterday to be prepared to give loss-making nationalised industries to the private sector.

At the same time, the Government should be prepared to pay the private sector "to remove the burden of continuing and unquantifiable losses" in the nationalised sector, Mr Walter Goldsmith, director general of the institute, said in London.

The Government had to face the reality that privatisation of loss-making state industries may be delayed "indefinitely."

"Time is running out. Economic upturn can be no guarantee of the future of state sector enterprises," he said.

"That is why the Government must remove a block in Treasury thinking which suggests that nationalised industries may be privatised in whole or in part only when making a profit."

Demand for executives growing more rapidly

BY JAMES McDONALD

THE RECOVERY of demand for executives, which began slowly last year, is now gathering momentum steadily, according to the latest survey by MSL Group International, management consultants.

The organisation's MSL Index, based on a study since 1959 of management recruitment advertising in the UK national Press, jumped by 29 points, or 33 per cent, from 86 in 1981 during the first quarter of this year.

That was the largest quarterly rise since 1963 and the highest figure since September 1974.

The total number of appointments advertised in the first three months of this year was 6,617, compared to 4,658 in the equivalent period of 1981—an increase of 42 per cent.

January is normally one of the best months for executive recruitment advertising, according to Mr Gary Long, managing director of MSL. "But this year was exceptional. The

Small business wins chance to acquire plant

A SOUTH LONDON business consortium has the chance to buy the factory it leases from the Department of Transport.

The factory in Beddington, Surrey, was due to go under the auctioneer's hammer on May 15. But Mr Nigel Forman, MP for Carshalton and Wallington, wrote to the Department and asked for the sale to be delayed to give the consortium time to raise the money to bid for the factory.

The MP contacted Mrs Lynda Chalker, Parliamentary Under-Secretary at the Department of Transport, and put the leaseholder's case. She told him in a letter: "It is clear the tenants had not appreciated the sale was likely to come so soon. This being the case, I have given instructions that the auction should not now take place. There is now no question of it being rearranged before July.

The consortium has contacted a finance company and been promised the funds necessary to place a bid for the factory in July.

Oil production increases to 1.9m barrels a day

BY RAY DAFTER, ENERGY EDITOR

OIL PRODUCTION rose to almost 1.9m barrels a day in the first quarter of the year, about 19 per cent above the oil-consumption level, the Energy Department said yesterday.

The department's provisional energy statistics show the UK to be one of few oil-producing states increasing output at a time of surplus supplies in the world market.

Crude-oil production, mainly in the North Sea, totalled 23.5m tonnes in the January-March period, about 7.5 per cent above the output level in the corresponding quarter last year. Use of oil products fell to 19.8m tonnes in the first quarter, 0.4 per cent less than in the first quarter of 1981.

Overall energy use fell by 0.3 per cent to 91.2m tonnes of coal-equivalent in the January-March quarter, in the quarter last year 91.9m tonnes

of coal-equivalent were used. The figures indicate the rate of fall in energy demand is decelerating. Last year as a whole the equivalent of 316.4m tonnes of coal was used, 3.5 per cent less than 1980 and 11 per cent less than 1979.

Demand for natural gas in the first quarter of this year was boosted by exceptionally cold weather. Demand over the period rose to the equivalent of 25m tonnes, 3.8 per cent more than in the corresponding period last year.

Consumption of other fuels fell in these periods, coal by 4.7 per cent.

Total production of primary fuels in the first quarter of this year was the equivalent of 97.4m tonnes of coal, 3 per cent more than in the first quarter of last year. Coal production fell by 1.5 per cent but natural gas output rose by 3.4 per cent.

Sales of beverage cans down 4.1% on year

THE DIFFICULTIES of Britain's can makers were underlined by figures issued yesterday showing that total UK sales of home-produced soft drinks cans last year were 970m, compared with just more than 1bn in 1980.

Part of the fall is accounted for by the increase in filled soft-

drinks cans imported from the Continent. Retail sales in the UK last year were down 4.1 per cent from 1980.

But sales in the first quarter of this year appear to be higher than in the same period of last year. The beverage can gained ground last year on bottles and other containers.

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If you wish to attend one of the seminars in London, or would like to receive additional material on the 1982 programs, please contact:

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Handwritten note: *دیکھو*

New MSC chief strongly backs youth training plan

BY IVO DAWNEY, LABOUR STAFF

MR DAVID YOUNG, newly appointed chairman of the Manpower Services Commission, yesterday warned that if the Government attempted to alter its proposals on the forthcoming £1.7m training programme it would have to reconsider its position. He told the Employment Select Committee that the youth training plan drawn up by the MSC task group—which includes representatives from the TUC and CBI—was an integrated programme which could not be changed without further consultation. "It was approved as a complete package and stands and falls as such," he said. Mr Young also supported the task group's insistence that supplementary benefits should be paid to those who opted out of the training programme. A White Paper published by the Department of Employment argued that non-participants should forfeit benefits. Pressed to give a personal view, Mr Young would only reply: "If supplementary benefit (for 16-year-olds) was abolished, that would not be in line with this report." He added: "I suspect that if the safety net of supplementary benefit was removed it would be difficult to find unanimous agreement." Mr Young said that the report unanimously supported a payment of £25 per week to trainees as opposed to the £15 recommended by Mr Norman Tebbit, Employment Secretary, in his White Paper.

Yorkshire miners back political protests

By John Lloyd, Labour Editor

THE LEFT-LEAD Yorkshire area of the National Union of Mineworkers is to back a call for political demonstrations in certain circumstances. The advocacy of this was the main cause of the dispute between Labour's leadership and Mr Peter Tatchell, the parliamentary candidate for Bermondsey chosen by the local party. The area's council has voted to back an amendment to a motion at the miners' annual conference which backs parliamentary democracy. The amendment, put up by the Highgate pit, says: "Extra-parliamentary action is necessary in certain circumstances such as opposition to Tebbit's anti-trade union legislation, the campaign for peace and the fight against unemployment." If accepted, the amendment, which is likely to get support from major lefted areas such as South Wales, Scotland and Derbyshire, would commit the miners to the same policy which Mr Tatchell advocated in an article in "London Labour Briefing" and for which he was roundly criticised by Mr Michael Foot, the Labour Party leader. Mr Foot told the House of Commons last year that this issue had convinced him that he should oppose Mr Tatchell's nomination—a stance later supported by the party's executive.

Dockers who dread a strike

Brian Groom assesses the mood among port workers at Felixstowe

RELIEF MAY be felt by many of Britain's 24,000 dockers, if their delegates at a Transport and General Workers' Union conference on Saturday vote to accept the docks committee's recommendation to call off next week's threatened strike.

This would certainly be widespread at the thriving east-coast port of Felixstowe. It is one of more than 80 ports which the union wants brought into the national dock labour scheme, an 800 dockers would have been expected to play a full part in the national stoppage to achieve that aim.

They would probably obey an official strike call, if only because Felixstowe would otherwise be a prime target for flying pickets. However, there would be misgivings. A number of Felixstowe dockers live in the leafy, middle-class side of the town, and frequent the Conservative Club. Most are solid trade unionists, but their moderate reputation differs sharply from that of dockers in ports like London and Liverpool; once described by an employer as "perhaps unfairly—as a labour elite of 'lazy, over-paid, pilfering militants'". The TGWU maintains that most of its 6,000 dockers in non-scheme ports want to join the scheme. It would give them the statutory right to regulate the size of their workforce jointly with employers, and taken with the industry's agreement on a pay freeze, would virtually rule out compulsory redundancy.

attracted by the promise of a "job for life." But the feeling is not unanimous, and others heed employers' warnings that the scheme, widely criticised for expense and inflexibility, would threaten the efficiency which helped it grow from nothing into one of Britain's main ports. The impetus behind the strike call came from shop stewards in the scheme ports. Its roots lie in the decline of the registered workforce from 82,500 at its peak in 1937 to 18,000 today, caused largely by containerisation and the shift in trade from west to south and east coast ports.

If we cannot prevent the job losses, the registered dockers say, we will at least fight city attack on the scheme which means no-one has to be made redundant against his wish. Two months ago, the National Dock Labour Board—which administers the scheme, and on which employers and employees are equally represented—put forward plans for a massive cost-cutting reorganisation. Although the NDLB insisted that the reorganisation would not affect its statutory duties, dockers saw it as the thin edge of the wedge. They threatened a national strike, and only backed down after key proposals were withdrawn. The steady growth of a large number of dockers outside the scheme is similarly seen as an

hostile, the Government may turn down the plan, and even if it agreed to lay a draft order, to include a port, it could be opposed at an inquiry or voted out by MPs.

If the union went for a port such as Felixstowe, something of a symbol of free enterprise, it would be fiercely opposed.

"I am wholly opposed to the principle that a man should be given a job for life regardless of his effort. If you have such a guaranteed job security, you develop an attitude whereby the top 5 or 10 per cent of efficiency drops off—and it may be more," said Mr Geoffrey Parker, managing director of the Felixstowe Dock and Railway Company, a subsidiary of European Ferries. He also objects to paying a payroll of possibly over £1m a year to pay for a scheme not necessary for running his business.

The National Association of Port Employers, which has kept to the sidelines in the past few years, would not be prepared to endorse an extension of a scheme which it believes needs modernisation and made more flexible, and it feared a strike would destroy signs that the industry may be moving towards stability.

Although many ports are making losses, the association hopes the registered workforce may stabilise at about 14,000 by end-1984, and that the problems of massive surplus labour may be coming to an end. The present six-week severance scheme will bring it down to about 16,000.

Assault alleged in council dispute

By John Lloyd, Labour Editor

THE BITTER dispute in the London Borough of Wandsworth over the council's use of private cleaning contractors sharpened yesterday when a director of the company alleged that he had been assaulted by a group of men, some of whom were wearing council jackets and union armbands. Mr Jan Leer, a director of Pritchard Industrial Services, said last night that he had been assaulted and punched in the stomach by seven men in the Henry Prince Estate, Wandsworth. Epsfield Police Station last night confirmed that a report of the incident had been made and that other allegations of damage to vehicles had been made in the past few days. But the National Union of Public Employees, which organises the Borough's 300 refuse collectors now on strike in protest against its privatisation plans, has firmly denied that its members have offered violence or committed acts of sabotage. Mr Ian Scott, a Nuppe area official, said that the allegations were "crude propaganda" by the chairman of Pritchard Industrial Services and that the statements were aimed at the voters in today's borough elections. "What evidence have they brought forward of these alleged acts by Nuppe members? I am satisfied that none of my members have engaged in these actions and it would not be in our interests to do so. We have been involved in a peaceful campaign of picketing." In February, Pritchard received from Wandsworth a £4.5m street cleaning contract aimed at saving the Council £2.37m over the next five years. The company has also been engaged as a temporary refuse collection agency following a protest strike by the council's staff, members of the National and Local Government Officers Association, are also on indefinite strike. They include telephonists, computer staff, debt and rate collection officers and supervisors. Pritchard has already made a series of allegations of sabotage of vehicles and equipment, but yesterday's incident was the first of physical violence. Mr Leer claimed that earlier in the week, heavy boxes of waste were thrown at him, but missed. He said last night that he would recognise his attackers and that other members of the gang slashed vehicle tyres and screamed abuse. "They knew who I was because I have been directing our operations there recently. But they have picked on the wrong man."

Some unions may seek redress when recession eases, says Acas

By Our Labour Staff

IT WOULD be unwise to rely on a permanent change taking place in industrial relations because of the recession, Mr Pat Lowry, chairman of the Advisory Conciliation and Arbitration Service, said yesterday. He told a seminar at the Policy Studies Institute that in some cases managements had done little to inform workers of decisions or involve them in making them. Some trade union officials harboured resentment of the way in which unions had been treated over the past two years and intended to seek redress when the recession eased. The numbers of unfair dismissals notified to Acas had risen sharply from 38,000 in 1980 to 44,000 in 1981, he added. The present Employment Bill "might make the business of a constructive approach to industrial relations more difficult, but we will do our best." The dramatic redundancy programmes which many companies had carried through had taken place with "remarkably little strife." However, Mr Lowry questioned whether there might be some sign of growing resistance to plant closures. The "pay norm" an old favourite of industrial relations, had, he hoped, all but disappeared. However, he saw a series of different "pay policies" emerging, some of which might cause resentment and conflict in the future. These were: inflation-linked agreements for the police and firemen; relatively high settlements for the public utility workers, strongly influenced by the level of the miners' settlement; relatively low settlements for other public sector workers; private sector settlements at various levels, though presently low.

Mr Glyn England, the recently-dismissed chairman of the Central Electricity Generating Board, has called for an incomes policy and a new legal framework for industrial relations. In a CEBG discussion paper, published yesterday, he said that the main requirements of an incomes policy were "flexibility and fairness." The National Board for Prices and Incomes, established by the Labour Government in 1965, "operated for a time with a large measure of union and employer support", and was worth re-examining. The legal framework would rest on a newly-created Commission on Industrial Relations, with a direct link to Parliament and a duty to report annually to Parliament on the state of industrial relations. It would also propose specific legislative measures "to deal with problems in a pragmatic way."

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Scots teachers awarded 6% in arbitration

By Michael Dixon, Education Correspondent. ABOUT 60,000 teachers in Scotland are to have a 6 per cent pay rise as the result of arbitration. The employers had offered 4 per cent against the unions' claim of 11 to 12 per cent. The award to 465,000 schoolteachers in England and Wales is also under arbitration, and is expected to be decided later this month. Although the unions' claim was similar to that of the Scottish teachers, the education authorities south of the Border offered only 3.4 per cent. A teacher who voluntarily took advantage of an early retirement scheme was not entitled to unemployment benefit for the first six weeks after leaving his job, the Appeal Court in London ruled yesterday. The ruling could affect about 3,000 teachers opting for premature retirement with Education Department backing.

Rail unions pledge action against cuts

By Our Labour Staff

CRAFT UNIONS at British Rail's engineering workshops yesterday pledged to take industrial action to resist demands by BR for 5,000 redundancies. Strike action by all 23 unions in the Confederation of Shipbuilding and Engineering Unions was not ruled out by Mr Alex Ferry, Confederation general secretary. Following yesterday's meeting of the railway sub-committee, the full Confederation is meeting today. At yesterday's meeting the 60 delegates from 13 main rail workshops reacted angrily to the British Rail engineering proposals announced last month for compulsory redundancies. The cuts would mean the total closure of workshops at Shildon in Co. Durham, Horwich in Lincolnshire, and the halving of the workforce at Swindon. BREL employs 35,000 blue-collar workers—over half of whom are in the Confederation. Mr Ed Scrivens, chairman of the railway sub-committee of the Confederation and an executive council member of the Amalgamated Union of Engineering Workers, said that action would be co-ordinated by the Railway Shopman's National Council, which covers the 14 sub-committee unions, plus the National Union of Railwaymen. Yesterday's delegate meeting of National Union of Railwaymen members in the rail workshops backed last week's decision of the national executive to oppose all compulsory redundancies—by strike action if necessary.

The hidden worlds of mu.

It's a sad trick of fate that a lot of interesting fact stays hidden behind formidable words and symbols. The Greek letter mu (μ) is a case in point. As a symbol in thermodynamics, electromagnetism or even mechanics, it's more likely to give rise to despair than hope in most people.

But for us there are a couple of meanings of μ that are more than just a synthesis of our own world. The first symbolises the coefficient of friction. Which if reduced by 10 per cent in all rolling bearings used today would give a saving in energy equivalent to the combined output of some 25 sizeable power stations. This in turn is a saving roughly the same as half the total electricity consumed by Australia, Brazil, Spain and Sweden together. All from a 10 per cent drop in friction! Which brings us to our second world of μ . Or to be more exact, a thousandth of a millimetre— μm . Fifty times finer than the finest human hair. This is the micro-world we live in. Where the oil film in a bearing can be one ten-thousandth of a millimetre. And smoothness tolerances of contact surfaces even less. And where bearing design changes can still reduce friction and energy losses by anything from 8 to 80 per cent. That's the inner world of SKF. And some of the hidden worlds of μ . We ease the friction of mechanical movement.





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Making the right moves

- Penguin and Longman both set new records
- Financial Times returns to profit as European edition passes 34,000
- Longman enters legal publishing with Oyez
- Goldcrest builds the team to lead the British film industry
- Pearson Longman starts Goldcrest Television and takes a stake in Yorkshire TV
- Westminster Press free publications now reach 1.6 million homes
- Goldcrest links with Penguin and Longman in two new video publishing ventures

In 1981 Puffin Books published 'You can do the Cube' by Patrick Bossert and Penguin Books published 'Mastering Rubik's Cube' by Don Taylor. Both were worldwide best-sellers. Goldcrest Television then produced a prizewinning video cassette featuring Patrick Bossert called 'You too can do the Cube'.

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Chris Dunkley: Tonight's Choice

BBC2's Travellers In Time is the series which combines two of the most valuable and attractive aspects of documentary film: history and travel.

BBC 2

6.40-7.55 am Open University. 11.00-11.25 Play School. 1.00 pm Snooker and Racing.

LONDON

9.35 am Schools Programmes. 12.00 am Common Law. 12.30 pm Get Up and Go.

BUSINESS LAW

How not to enforce competition

BY A. H. HERMANN, Legal Correspondent

EEC practices and procedures concerned with the enforcement of competition rules were debated in the House of Lords last week.

abuse of market power, must be notified to the Commission if it is likely to distort competition in the Common Market and affect adversely trade between member states.

draft the Commission's decision. It would also be his task to approve any dawn raids by the Commission's investigators.

The Commission seems to be set on introducing only a semblance of such reform. The Committee's proposal that, prior to the formal hearings, there should be a less formal meeting to agree facts as far as possible and to acquaint the parties with the Commission's reasoning, is rejected by the Commission.

The Lords find EEC delays horrifying but the Commission insists its rules stood the test of time and need no substantial amendment

All IBA Regions as London except at the following times-

ANGLIA
1.20 pm Anglia News. 2.00 Not For Women Only. 4.20 Football. 4.55 The Adventures of Black Beauty.

CHANNEL

1.20 pm Channel Lunchtime News. 1.20 pm On Where and Weather. 3.45 Little Hours of a Trainee.

SCOTTISH

1.20 pm Scottish News. 4.20 Janolus. 4.50 Sport Billy. 5.20 Crossroads. 6.00 Scotland Today.

TYS

1.20 pm TVS News. 2.00 Not For Women Only. 4.20 Football. 4.55 The Adventures of Black Beauty.

RADIO

5.00 am As Radio 2. 7.00 Three Men In A Boat (4). 9.00 Simon Bates. 11.20 Dave Lee Travis. 2.00 pm Steve Wright.

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (cont'd).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Yesterday in Parliament.

RACING

NEITHER of today's big Chester races, the Dee Stakes and the Ormonde Stakes, has proved particularly successful for Lester Piggott in the past.

his five opponents in the £25,000 Ormonde. Last year's Cumberland Lodge winner, a late-developing son of Roberto, proved that he will rank among the best middle distance horses in Europe this season by his tremendous effort at Newbury last month.

view of his breeding and the way he finished at Newbury. James Bell's Lord Wimpey almost succeeded in making every yard of the running over six furlongs at Epsom recently, and he looked well worth an interest over the minimum trip and from a favourable draw in the Quinton Handicap.

1.15-Lady Muskoka* 2.45-Critique 3.45-Ivano 4.15-Lord Wimpey*** 2.00-Dev 2.30-Portogon**

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American Television

News instead of variety

by FRANK LIPSIOUS

Cable television, the wizardry of 35 channels, has penetrated to less than 5 per cent of American households...

Moving on the financial front first, the networks showed just how nervous they were by starting their own cable networks...

Though he failed to get any major names from the other networks, Arledge is credited with forcing the competition to promote those whom he was after...

The American afternoon newspaper has disappeared in the face of competition from the televised evening news...



Robert Hardy and Sian Phillips

Mermaid

Dear Liar by B. A. YOUNG

Jerome Kilty's reconstruction of the guiltless affair between Bernard Shaw and Mrs. Patrick Campbell is good stuff for two popular players to show themselves off in...

His voice is inflected with a touch of the right kind of Irish accent; either it wore thin during the evening, or I got too used to it...

Kiev Opera in Wiesbaden

by ANDREW CLARK

There has been a welcome rarity value about this year's May festival at Wiesbaden. The Staatstheater is being treated to a house production of Hindemith's Matisch der Maler...

Venice is bringing some unusual Italian repertoire. The visit by the Kiev Opera, however, has been the most eagerly anticipated of all...

Festival Hall

London Philharmonic

by DAVID MURRAY

Klaus Tennstedt has already conducted the L.P.O. in performances of all Mahler's odd-numbered symphonies, in concert and on EMI records...

vision came Felicity Lott's melting soprano for the wide-eyed Wanderhorn Finale, neither mock-naive nor with any unwelcome sophistication...

The production sold the work short in its visual, intellectual and dramatic potential, there were plenty of solace to be found in the consummate skill of the Kiev State orchestra and chorus...

Record Review

Two legends by DOMINIC GILL

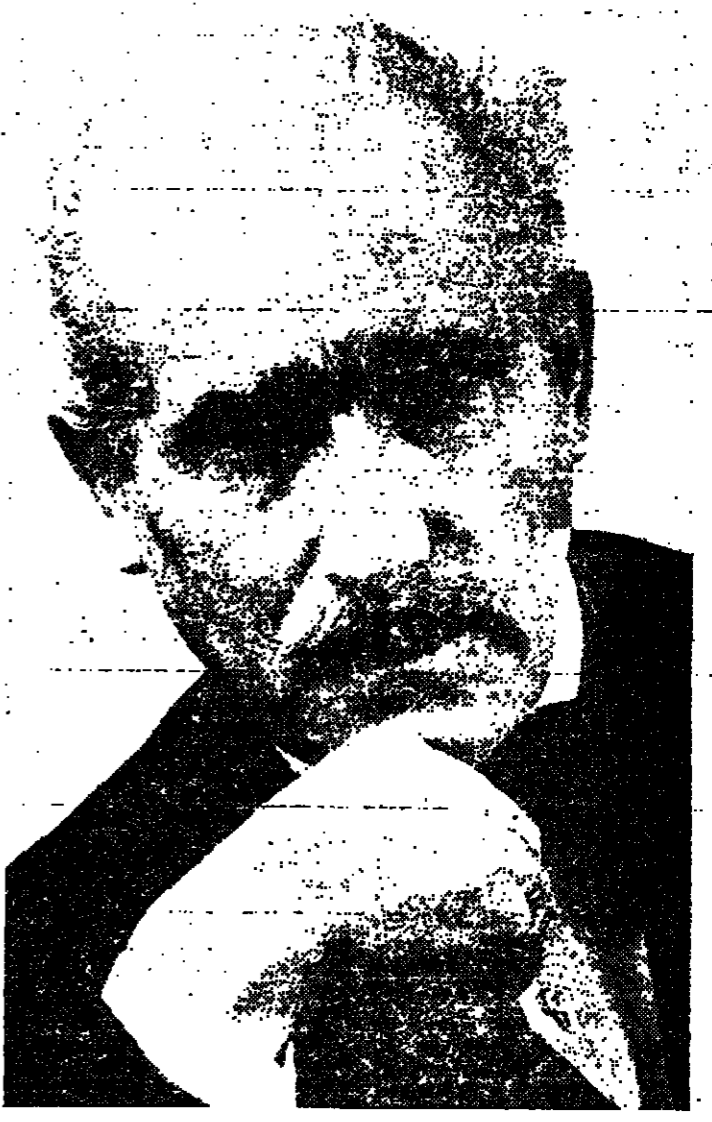
Toscanini: 'The Man Behind the Legend'—20 records, including two integral sets, but otherwise separately available...

another legend, the Hollywood String Quartet. Theirs was hardly as potent for as controversial a legend as Toscanini's; the Hollywood's lifespan of 13 years was short, and some trips to Europe during the final years did not enhance their reputation...

The title RCA have chosen for their latest series of Toscanini reissues is a brand new edition beautifully re-mastered and pressed in Italy...

Also included in this collection is their splendidly buoyant account with the pianist Victor Alter of the Brahms F major Dvorak F major quartet No. 12; and a performance of Smetana's E minor quartet 'From My Life'...

From the point of view of sound-quality, the Italian re-masterings (transferred at half-speed in the studio to preserve the information in the grooves more accurately) are certainly the best to have been made by any record company to date...



Toscanini

THEATRES

ALBANY 5 858 1878. Credit cards 378. 500-550 0711. 500 550 0711. 500 550 0711...

ALBANY 5 858 1878. Credit cards 378. 500-550 0711. 500 550 0711. 500 550 0711...

ALBANY 5 858 1878. Credit cards 378. 500-550 0711. 500 550 0711. 500 550 0711...

F.T. CROSSWORD PUZZLE No. 4864

ACROSS 1 Dismissing a political faction could mean the end for one (6, 5) 7 and 28 Shakespeare's village? 9 Sordid grin from cruel source (5) - 10 Arrived with gummers and shot, but is reluctant to be photographed (6, 3) 11 Stick bills on one or hinder (9) 12 A company of herons through around (5) 13 It should give many rashes, but few would eat it (4, 3) 15 Way out and without sex-appeal (4) 18 Handle a hard protuberance 20 Sideways look with suspicion (7) 23 A long cut left in a scarf (5) 24 Draw the line at appearing in a river? (9) 26 Arousing affection like Thomas Moore's young charms (9) 27 A word of greeting briefly he will love (5) 28 See 7 Across 29 Famous imperial conference of 1821, but surely this was not on the menu (4, 2, 5)

DOWN 1 Become replete and hide with the highest speed (4-4) 2 Turn case around for a dissenter (8) 3 Female relative with her heart in French resort (5) 4 Conservative in Chinese city eating sparingly (7) 5 Note the wairus in sorrow (7) 6 Criterion for enclosures on 21 Bony duck to snatch... (6) 7 credit (9) 8 Malicious permit for processed meat (6) 9 Malicious damage from flower on border (6) 10 Die over eccentric bit of register (5-4) 11 Software trouble inside from endwearer with qualifications (8) 12 Liberal upsetting our genes (5) 13 Apart from injecting drug initially, it's descriptive of the doctor's manner (7) 14 Everything for example, on the right-hand page, is with brisk movement (7) 15 Bony duck to snatch... (6) 22 ... and in grave authority (6) 25 Specialised skill we hear? Not at all! (5) Solution to puzzle No. 4,863 DESCRIBE ABSENT E H A I L A F O P R E A M B L E A S K I N G U R R L I L E T U R N O V E R A L L O U T Y V D R S D G H I S T R I C A N E R C O N S T R A I N T O H R I V E D S C A O H R I E L A U N C H I N G S T I L L I N S T A R E G A I N N O R T H A S T E U N U C E T I E M E R G E A S P H O D E L

Companies and Markets

UK COMPANY NEWS

P & O makes £40m in second half

PROFITS of Peninsular and Oriental Steam Navigation Company rebounded sharply in the second half of 1981 after the first half collapse. The pre-tax figure for the year totalled just under £41m against £47m and was well ahead of analysts' estimates. The final dividend is being lifted to 7p a deferred share from 5p, making a total of 10p (8p).

Items of £14.8m (£5.8m), mainly as a result of shore staff redundancy and other costs, associated with the ship sales. Partly offsetting these were exchange rate gains of £8.1m. Group borrowings went down further by £3m to £271m, despite the addition of £23m through the decline in sterling.

Table with 2 columns: 1981, 1980. Rows include Gross revenue, Operating result, Profit before tax, Taxation, Net profit, Extraordinary debit, Attributable.

The group said trading conditions were difficult last year, though the final results, Lord Incheape, chairman, said profits were hit more than he could ever recall by strikes and other industrial action.

Serck slide continues

The slide in pre-tax profits shown at the interim stage at Serck continued for the 15 months to January 2 1982 with profits declining from £3.02m for the previous 12 months to £1.75m. In the second half the surplus was down from £1.63m to £1.53m.

Group sales rose by £36.59m to £142.34m. Below the line there was an extraordinary debit of £9.77m for activities curtailed, relocated and closed.

There is no dividend. Last year a final of 2.5p gave a total of 3.5p net. All the ordinary capital of this specialist engineer is owned by BTR Industries.

J. Mowlem advances to £7.8m

CONSTRUCTION group John Mowlem & Company finished 1981 with pre-tax profits ahead from £5.3m to £7.8m, following a first half rise from £2.51m to £3.21m. Turnover increased from £240m to £271m.

After tax and extraordinary items the attributable balance comes through unchanged at £6.1m. Profits per ordinary share are stated at 42.1p (37.8p) and earnings at 34.5p (30.8p).

Mr Philip Beck, the chairman, reports that the group's construction companies all performed well during the year. The balance sheet is strong, the order book stable and "we expect that the results for 1982 will again be satisfactory."

HIGHLIGHTS

Lex comments on the mood which overtook the London Stock Market yesterday following recent events in the Falklands, before moving on to consider several major results on a busy day for company news.

TR North America pays same

Revenue of the TR North America Investment Trust, formerly Continental Union Trust, came out just ahead at £1.11m for the year ended March 31 1982, after all charges and tax, against £1.05m.

comment

Since the better than expected interim figures, Mowlem's shares have undergone something of a rerating. Full year pre-tax profits did not disappoint, up 24 per cent at £7.8m.

£2.75m loss for Smith St Aubyn

A REVERSAL of over £6m, from a profit of £3.44m to a net loss of £2.75m, is reported by discount broker and banker Smith St Aubyn (Holdings) for the year ending April 5, 1982.

The figure was struck after all expenses, recovery of tax, rebate and a transfer from contingencies reserve in Smith St Aubyn Company, against a transfer to the reserve previously, Valuation and contingencies reserves do not exceed £500,000, it is pointed out.

As predicted, the final dividend is being omitted (6p), leaving the interim of 4.5p net as the payment for the year, against a total of 10.5p last time.

At the time of a rights issue in January the directors warned that the final payout would be passed. They also said that it was probable that the company would not be in a position to pay dividends on the two classes of preference shares due on March 31.

However, in February they announced that there had been a material beneficial change in the company's position... and that it may be in a position to pay the preference dividends after adoption of the audited account for the year.

comment

Smith St Aubyn seems to have made roughly £4m in the last five months of its financial year—even given the favourable circumstances a fair return on an equity base that has been as low as £3m during that period.

GA sinks to £11m deficit in 'worst' first quarter

THE General Accident Group had the worst possible start to the year, recording a pre-tax loss of £11.1m in the first quarter, its poorest ever quarterly figure.

The severe winter weather in the UK, the worst for a century according to the GA, together with continuing poor trading conditions in the U.S., Canada, Australia and most other parts of the world, sent underwriting losses soaring from £15.7m to £54.1m in the quarter.

Investment income rose by 21.2 per cent during the period from £34.9m to £42.3m (the underlying growth rate allowing for exchange rate fluctuations of 17.7 per cent). But this rise failed to bridge the widening gap of underwriting losses, resulting in a pre-tax loss for the quarter, against a £19.3m profit last year.

A substantial tax credit softened the net loss attributable to shareholders to £1.5m compared with a profit of £13m for the first quarter of last year. Total premium income rose more than 10 per cent in sterling terms from £58.3m to £68.1m, exchange rate fluctuations trimming the underlying rise to 7.7 per cent.

The severe snowstorms and floods which hit Britain last winter had a much deeper impact than had been anticipated. Underwriting losses far exceeded since January 1 rose tenfold from £2.4m to £27.7m, with bad weather claims costing £20m.

comment

Smith St Aubyn seems to have made roughly £4m in the last five months of its financial year—even given the favourable circumstances a fair return on an equity base that has been as low as £3m during that period.

DIVIDENDS ANNOUNCED

Table with 8 columns: Company, Current payment, Date of payment, Current div., Date of dividend, Total last year, Total last year.

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § Final of 2.7p forecast.

weather, the rest coming from normal trading. The number of claims was 16 per cent higher than normal.

The group has not increased its motor premium rates for nearly two years, despite continuing rising claims costs. In an effort to recapture lost business there are indications that a rate increase could come on August 1 — two years after the last revision—though GA claims to be still making up its mind.

The only bright spot in the UK figures was a 5.4 per cent rise in UK premiums slightly above last year's poor growth rate—, with the company seeing personal lines business coming back. Premium income in the U.S. rose by just 2 per cent from \$178m to \$181m, while underwriting losses nearly doubled from \$6.8m to \$11.8m.

Rugby Cement's outlook brighter

ALTHOUGH the cement industry, like the construction industry which it serves, is far from through its troubles, Lord Boyd-Carpenter, the chairman of Rugby Portland Cement, says he can see "gleams of light ahead."

In his annual report, he says the company has never been better prepared either to endure storm or profit from sunshine. It appears, he adds, that this view is shared by many investors.

At the year-end, the balance sheet shows shareholders' funds up from £79.3m to £93.49m. Fixed assets were higher at £119.63m (£110.73m), and bank balances improved from £22.55m to £27.61m.

The directors have authorised capital expenditure of £4.6m (£3.3m), for which contracts have been placed amounting to £2.4m (£1.1m). Meeting: Rugby, June 4.

M. J. H. Nightingale & Co. Limited

Table with 6 columns: 1981-82 High/Low, Company, Price Change, Gross Yield, P/E, Fully Paid.



We have come through a difficult year in good shape. RMC

SUMMARY OF GROUP RESULTS. Table with 2 columns: 1981, 1980. Rows include Turnover, Profit before taxation, Earnings, Earnings per share, Dividends per share.

Despite the recession continuing unabated in 1981, we succeeded in remaining competitive worldwide, although our profitability was inevitably reduced. Our aim is to achieve real growth in order to remain profitable and competitive.

John Camden, CHAIRMAN

The Annual General Meeting will be held at The Carlton Tower Hotel, Cadogan Place, London, SW1 on Friday 28th May 1982 at 11.30 a.m.

RMC Group p.l.c.

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Operating internationally in Austria, Belgium, France, Hong Kong, Israel, Republic of Ireland, Spain, Trinidad, United Kingdom, USA and West Germany.

H. Young to raise £0.2m by rights

H. Young Holdings, the small motor distributor, is raising £190,000 with a 1-for-1 rights issue at 25p a share.

The company will be using the proceeds to transform a distributor based in Guildford into a sole Mercedes Benz distributor.

Woodhouse & Rixson

FIRST-QUARTER results for Woodhouse and Rixson (Holdings), forgemaster, were much better than have been achieved for a number of years.

Although the company was off to a good start, he said, it would be imprudent to conclude that the first quarter's results were indicative of the full year outturn as there was still little evidence of any real underlying increase in activity in many of the company's operations.

The directors intend in the current year to return to the previous policy of paying dividends in two approximately equal parts.

ROCKWARE GROUP (manufacturers of glass and plastic containers)—Results for 1981 reported by Mr. S. Baker, chairman, at the annual meeting, demonstrating the benefits from current policies.

THE TRING HALL USM INDEX. 120.3 (-2.7). Close of business 5/5/82. BASE DATE 10/11/80 100. Tel: 01-638 1591.

LADBROKE INDEX. Close 571.976 (-11).

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THE PEARSON GROUP

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 RS STERLING RESERVE FUND · CHATEAU LATOUR
 OIL AND GAS EXPLORATION · WHITEHALL PETRO.

"The striking feature of our results for 1981 is the impressive performance of a number of group companies in the second half of the year. This raised attributable group profits before tax, which at the half year showed virtually no improvement, to a materially higher level for the year as a whole, £43.3 million compared with £36.7 million in 1980. In fact, in terms of money of the day, these represent record profits though my colleagues and I are well aware of the need to take account of inflation. This was achieved despite the complete failure of any recovery in economic activity to materialise during the latter months of 1981 either in the United Kingdom, or indeed in the United States, our major market overseas. Seasonal factors were stronger this year and sales achieved in the closing months of the year are critical for profitability. The tax charge is much lower for the reason stated in note 5 to the accounts.

We are recommending a final dividend which results in an effective increase of 12 per cent in the total dividend for the year over the previous year. This is justified not only by the increase in our pre-tax profits, in both historic and current cost terms, in a very difficult year, but also by the better control of working capital and cash consumption.

Our United States oil service subsidiary, Camco, continued to enjoy the surge of demand for its equipment engendered by the development of new sources of hydro-carbons outside the OPEC countries and in particular the growing number of deep oil and gas wells which make a greater proportionate use of the sophisticated equipment it produces. Otherwise none of our businesses that prospered in 1981 did so with any help from the climate in which it was operating.

Both our book companies, Longman and Penguin, achieved highly creditable results. Longman's dominant position internationally in many fields of professional publishing and English language teaching allowed it to ride out the adverse conditions at home and achieve profits well in excess of its previous peak. Penguin has shown a most imaginative approach in its publishing programme and has begun to reap the fruits of its new management's marketing and pricing policy. The improvement in its results was also helped by a reduction in its interest burden but it remains one of the most highly geared of our businesses. Lazards had another good year thanks in part to a further very strong increase in earnings from corporate finance activities. Fairey, I am glad to say, achieved something like the level of profitability expected at the time we bought it, and we are all delighted that Fairey Marine has just won a Queen's Award for export achievement.

There were, of course, some disappointments, perhaps the most conspicuous of which was the increased losses by Doulton Glass. Most of the damage came from the home improvements side where the level of business continued to fall faster than the management anticipated. You may have read that since the year end we have negotiated the sale of this business to a company run by the former management, subject to approval by that company's shareholders. We do not believe, on balance, that a direct selling operation of this nature fits easily into a group like ours and its disposal should entail a return to profitability by Doulton Glass in the future. Royal Doulton Tableware had a difficult year suffering in particular from the very severe recession in North America. Finally, Westminster Press, far from showing the hoped-for recovery, reported its lowest profits for some years. Increased competition and persisting low levels of recruitment advertising more than offset the benefits of freedom from industrial disputes.

Group profit before tax	£59.5m
Made up as follows:	
Pearson Longman	£21.2m
Doulton	£8.3m
Whitehall Trust inc. Lazard Brothers	£15.0m
Midhurst (USA)	£16.4m
Madame Tussaud's	£1.8m
Other Interests	£4.8m

Head Office Interest and expenses (£8.0m)

Attributable profit before tax	£43.3m
Attributable profit after tax	£37.3m
Earnings per ordinary share	52.9p
Dividends per ordinary share	11.2p
Turnover	£702.2m

S. PEARSON & SON

To: the Registrar (CAP 3/4), S. Pearson & Son plc, Lloyds Bank Plc, Registrar's Department, Goring-by-Sea, Worthing, W. Sussex BN12 6DA.

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In the case of Blackwell Land we swung from feast to famine. A combination of poor yields and lower prices produced a loss which one must inevitably accept from time to time in an agricultural undertaking.

A number of new investments more than account for the increase in net borrowing of £9.5 million. I referred in my statement last year to the increase in our holding in Cedar Point to twenty-five per cent. We also invested a further £3.2 million in Compressor Systems, largely by subscribing for new shares, and increased our holding to 34.1 per cent. This looks to be a most gratifying commitment given Compressor Systems' performance to date. The cost of the extra investment in Compressor Systems was met by subsequent sales of half our holding of Ashland Oil common shares.

Pearson Longman decided to extend its interests in television by taking a twenty-five per cent stake in Yorkshire Television when Trident had to divest itself of its controlling interest and there have been other smaller investments to strengthen and extend our existing businesses.

I mentioned a year ago your board's determination to control working capital and cash consumption. Only £1.5 million cash was absorbed by extra working capital, compared to £27 million in 1980, the good stock control of Royal Doulton Tableware contributing notably to this improvement. It will, however, require continued efforts throughout the group to maintain this progress particularly as the requirements for capital expenditure, so vital to maintain our competitive position, are likely to become more numerous as prospects begin to look brighter.

The best method of maintaining the improvement in cash flow will, of course, be to continue to improve profitability. Last year our current cost operating profits as a percentage of average capital employed went up from 4.1 per cent to 7.1 per cent. This is a step in the right direction, but there is still a long way to go, and securing a better return on our assets remains your board's principal preoccupation.

There is no doubt that the consequence of the severe economic recession in the United Kingdom, and indeed throughout most of the developed economies of the West, has been to accelerate rationalisation and measures to reduce costs. This is a painful process but real rewards will follow if the restoration of growth is not long delayed. We all hope that 1982 will see some signs of such a resurgence. However, we have not based our planning for the current year on any material improvement in the level of demand for those of our businesses operating within the United Kingdom. The contribution of our employees to the fortunes of the group in these difficult times is particularly appreciated.

Enclosed with the report and accounts is a circular on two proposed schemes which will be put to shareholders for their approval at a specially convened meeting immediately after the annual general meeting. Both schemes provide an additional incentive for our employees. The schemes are fully explained in the circular and I would just like to repeat the recommendation of my colleagues and myself that we believe their introduction to be in the best interest of the company as a whole and of all its shareholders."

Lord Gibson
Chairman

Henry Boot logo and highlights of the 1981 Annual Report and Statement of the Chairman, Mr. E. H. Boot. Includes text about profit growth, management re-organisation, and trading performance in various sectors like construction and international operations.

Table with 2 columns: SALIENT FIGURES and years 1981 and 1980. Rows include Turnover, Profit before taxation, Taxation credit, Profit after taxation, Minority share of loss of subsidiary company, Profit attributable to members, Ordinary dividends, Earnings per 50p Ordinary share, and Total dividend per Ordinary share.

Copies of the Report and Accounts obtainable from the Secretary, Henry Boot & Sons PLC, Banner Cross Hall, Sheffield, S11 9PD. Includes trading information for UNITED KINGDOM, INTERNATIONAL, and PROPERTY AND INVESTMENT.

BIDS AND DEALS

Cook to buy BMCT stake in NCC

By RAY MAUGHAN. THE RECEIVERS of Birmingham & Midland Counties Trust, the private investment dealing company controlled by Mr Graham Ferguson Lacey and Mr Cecil McBride, have found a buyer for the company's principal asset, a 36.2 per cent stake in Mr Lacey's troubled exploration group, NCC Energy, at a price which will let an American company in for what amounts to a rescue bid at £8.25m.

Charterhall buys 70% of Radial Resources

Charterhall, the natural resources investment holding company, has agreed to buy 70 per cent of Radial Resources, a Calgary, Alberta-based oil and gas exploration company in a deal worth C\$452,000 (£207,508) and to inject further cash into the company.

Sketchley paying £7.2m for U.S. linen hire group

WITHIN a week of conceding defeat in another U.S. takeover battle, Sketchley has announced agreement in principle to a £7.2m cash acquisition of Rentex Services, a U.S. linen rentals business.

LONDON TRADED OPTIONS table with columns for Option, Strike price, Closing offer, Vol., and Equity close. Lists various options for companies like BP, Shell, and ICI.

UK ECONOMIC INDICATORS table showing indices for industrial production, engineering orders, retail sales volume, registered unemployment, and unutilised vacancies.

General Accident logo

THREE-MONTHS' RESULTS

Interim Statement table showing results for three months ended 31st March 1982, estimated and subject to audit, compared with 1981 results. Includes Net written premiums, Investment income, and Profit (Loss) before Tax and Taxation.

It must be emphasised that the results for the interim period do not necessarily provide a reliable indication of those for the full year. Net written premiums and investment income increased in sterling terms by 10.4% and 21.2% respectively.

BASE LENDING RATES

Table of base lending rates for various banks including A.B.N. Bank, Allied Irish Bank, American Express, and others.

EUROPEAN OPTIONS EXCHANGE

Table of European options exchange rates for various currencies and contracts, including GOLD, AMRO, and others.

'Significant advantages' in Pearson merger

INDEPENDENT directors of Pearson Longman, the publishing group whose interests include the Financial Times, have told shareholders that there are 'significant advantages' if the company merges fully with S. Pearson & Son.

FINANCIAL

Table of financial data including M1, M3, DCE, BS, HP, and MLR, along with inflation indices and share stakes for companies like Barton Group and Albert Fisher Group.

Companies and Markets

UK COMPANY NEWS

MINING NEWS

Seltrust structure to be changed

BY GEORGE MILLING-STANLEY

THE financially-troubled Australian mining group Seltrust Holdings has told the Perth Stock Exchange that it is "considering a proposal to modify the share structure of the company."

Improvement at Gopeng

INCREASES IN both tin concentrate output and the average price received boosted profits of the Malaysian tin producer Gopeng Consolidated for the six months to March 31.

International round-up

South African gold production rose slightly in March to 1,723,537 ounces from 1,704,339 ounces in February, but was well down on the 1,781,394 ounces produced in March of last year, according to figures from the Chamber of Mines.

Key to 'restoration' of Low & Bonar's fortunes

THE KEY factors in the restoration of Low and Bonar's fortunes are its restructuring, further improved efficiency of manufacturing activities, the reduction of overheads and the concentration on growth areas.

Industrial Diamond Company Ltd of London in association with IDC (Overseas) SA announce the purchase of the entire share capital of American Borals Crushing Company Inc of New York, USA

Associate Director for independent and profitable financial/corporate advertising agency (London)

Unique opportunity has arisen for a senior person to join a very successful, small specialist City agency.

Sainsbury profits surge over £21m to £83.4m

IN WHAT Sir John Sainsbury, chairman of food group J. Sainsbury, describes as another year of highly successful trading, pre-tax profits expanded by £21.36m to a record £83.42m for the period ended February 27, 1982.

Corrective costs deepen Elbar's losses

RECTIFICATION costs of £878,767 helped push Elbar Industries deeper in the red in 1981. This vehicle and agricultural machinery dealer and engineer reports losses of £2,266 against £1.82m.

and Southport, and a fourth Yorkshire store in Huddersfield. Retail profit amounted to £86.6m (£64.39m) with retail margins up from 4.05 per cent to 4.34 per cent.

Through a difficult year with increased profits

Pre-tax profits 10% higher — dividend up Benefits felt of very heavy capital investment All overseas interests improving "Gleams of light ahead"



Lord Boyd-Carpenter

The following are extracts from the speech to shareholders by The Rt. Hon. Lord Boyd-Carpenter, DL, Chairman.

In my speech last year the essence of the message which I tried to convey was my confidence that we could and would survive the combined impact of a world depression and a low level of activity in the construction industry in the United Kingdom.

I think it is useful to seek to analyse why this has been so. First we have made vigorous efforts to improve our service to customers. We have had in mind the truth of the placard which I saw recently in the plant of which we are part owners in Pennsylvania, "CUSTOMERS MAKE PAY DAY POSSIBLE".

CEMENT MANUFACTURE IN THE U.K. 1981 began with the same low level of demand which had been experienced in the latter part of 1980.

Nevertheless, recent developments and modernisation at our works enabled the Company to meet the fluctuating demand pattern for bulk and packed cement with a high standard of service.

OVERSEAS Our Australian subsidiary, Cockburn Cement Limited, has had a somewhat mixed year although its results for 1981 show an improvement on 1980 both in terms of profit and in cement and lime sales.

The Parmelia Hotel increased its contribution to the Group's profit by 40%, although half of this improvement was due to the strengthening of the Australian dollar against sterling.

EMPLOYEE RELATIONS During the late spring and early summer the cement industry as a whole suffered a certain amount of industrial action.

Copies of the Report and Accounts containing the full speech by the Chairman can be obtained from the Secretary, The Rugby Portland Cement P.L.C., Crown House, Rugby.



RUGBY CEMENT

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6th May 1982

CALIFORNIA WINES

Changed drinking habits boost market growth

By Louise Kehoe in San Francisco

DESPITE THE economic recession, or perhaps sometimes because of it, Americans are drinking more wine. Last year shipments of U.S. wine topped half a billion gallons for the first time—an increase of about 7 per cent over 1980.

"In a period of economic uncertainty, and in an industry that is certainly not immune to economic forces, we are continuing to see growth," says John de Luca, president of the Wine Institute in San Francisco.

Last year, for the first time in U.S. history, more wine was shipped than spirits. "There has been a cultural change away from hard liquor towards wine," says Mr de Luca.

"The 'three martini lunch' has largely become a lunch with wine. Women—who buy most of the wine, but don't drink as much as men—have to a large extent changed the traditional American cocktail hour into the wine hour, and the population migration towards the 'Sun-Belt'—with the widening influence of the California life style, have all added to the number of wine sippers," Mr de Luca believes.

Looser alcohol laws in several states have also led to market growth. The latest liberalisations occurred this year in Michigan and Oklahoma where wine can now be advertised for the first time. In several states, however, the sale of wine is still restricted to "package stores" which sell nothing but wine and spirits.

The marked change in Americans' drinking habits is giving rise to a boom in California's wine industry—where more than 90 per cent of U.S.-made wines are produced. As the market leader, Earpest and Julio Gallo Winery increased its output by 13 per cent to 133m gallons, according to Marvin Shanken, a wine industry analyst.

Gallo cannot, however, be complacent about its market lead. The privately held company is facing mounting competition from none other than Coca-Cola Company, the major soft drink producer. Coca-Cola entered the wine business five years ago when it purchased New York-based Taylor Wine and formed a wine producing subsidiary called Wine Spectrum.



California wines on sale at Mackie & Co. in the City of London: Britain has been a fast-growing market.

Using hard merchandising tactics including "comparative" TV advertisements pushing its year-old Taylor California Cellars brand, Wine Spectrum has raised its share of the U.S. market from 3 per cent in 1976, to 5.4 per cent last year. Wine Spectrum has also raised California production by 20 per cent last year.

While competition in the home market is heating up, Paul Masson, sixth largest producer with 1981 shipments of 18.5m gallons, is looking further afield to increase its sales. Masson has found a ready market in the UK. Shipments of California wine to Great Britain have risen by more than 100 per cent per year for the last three

years to make the UK the second largest export market (after Canada) for California wines. Masson claims to have shipped over 80 per cent of the 1.1m gallons that went to Britain last year. Masson's UK marketing is handled by the UK division of its parent company Joseph E. Seagram and Sons.

"Seagram determines which of Masson's 49 different wines are exported to the UK," according to a spokesman for Paul Masson. Its low priced carafes of generic wines have been particularly successful in the UK but Masson is now also selling varietals and its proprietary Emerald dry table wine in the UK.

"The UK has been a good market for us," says Almaden, another exporter of California wine to the UK. But, "shipments to the UK have already slowed down. Before these problems arose the landed price of California wine was very competitive—that is no longer so."

California Wine producers believe however that there is still a vast potential home market that remains untapped. The average consumption of wine per capita in the U.S. is a small 2 gallons per year compared to 25-30 gallons in France and Spain.

To increase consumption—and appeal to the growing consumer concern for low calorie foods—several California wineries have introduced new "light wines." With an average alcoholic content of only 7 per cent as compared to the normal 11 per cent, the light wines have much of the flavour of the originals, but 25 per cent fewer calories.

Light wines are produced by a combination of two methods—one is to harvest the grapes early when their sugar content is low, and the other is to pass the wine through vacuum distillation processes to burn off some of the alcohol. Traditional wine makers like Gallo decry the innovation, saying that they are not satisfied with the technology at present.

A peculiarity of American wine drinking habits is the increasing popularity of white wine over red. In 1981, more than 60 per cent of the wine shipped by U.S. producers was white—a marked change from the 34 per cent of wine shipped in 1975. The consumer preference for white has caused problems for the wineries, though it has helped market growth. Several are overplanted with red grapes. A few California wineries are using new methods to produce white wine from red grapes, although so far these have achieved little consumer acceptance. Others, particularly those with large vineyard acreages, are grafting white vines onto red grape vines using a process called "budding." Using this method, vines can be back in production with a new variety of grapes within a year or two.

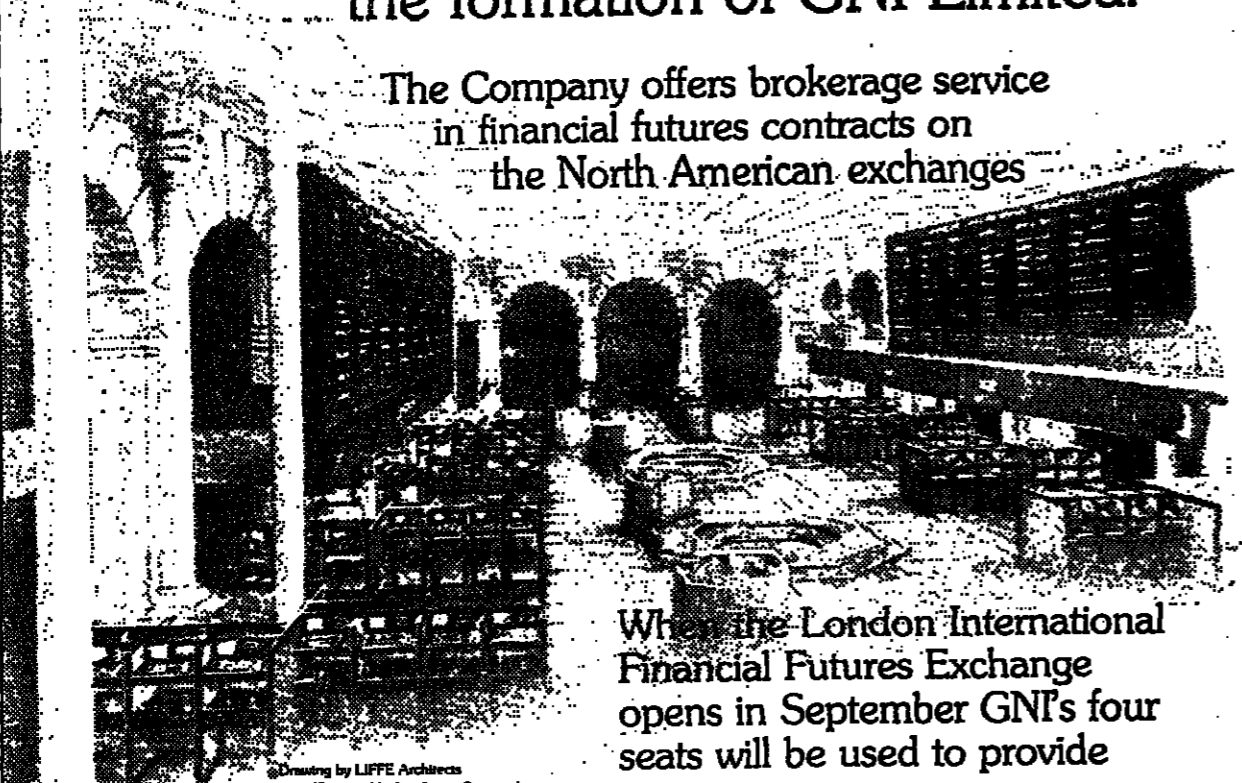


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Companies and Markets

COMMODITIES AND AGRICULTURE

More U.S. energy futures plan

By Nancy Dunne in Washington

THE NEW YORK MERCANTILE EXCHANGE... The CFTC will consider the Chicago Board of Trade's application to trade futures in Gulf Coast heating oil on May 18 and the CFTC's proposed leaded and unleaded regular gasoline futures contracts on May 25.

Canada signs new wheat deal with China

BY VICTOR MACKIE IN OTTAWA

CANADA'S WHEAT BOARD has signed a new long-term wheat agreement with the People's Republic of China... The three-year agreement provides for the shipment of between 10.5m and 12.6m tonnes of Canadian wheat to China.

separate contracts for the sales of specific quantities of wheat will be negotiated periodically under the new agreement... The terms for any credit sales will call for 25 per cent cash when each vessel is loaded with the balance payable with interest in 12 months.

Winter grain crops are developing well in the Ukraine, Moldavia and the central black earth region of the Soviet Union with cool and rainy weather over most of the European part of the country.

Danish slaughter ban spreads

By Hilary Barnes in Denmark

SLAUGHTERING OF pigs and cattle was suspended by slaughterhouses on Zealand and the southern Danish islands of Lolland and Falster until Monday following the spread of foot and mouth disease to southwest Zealand.

Sugar industry chases an ambitious target

BY RICK WELLS IN KHARTOUM

EARLY IN the 1970s Sudan decided to become one of the biggest sugar producers in Africa, meeting domestic requirements and exporting a surplus to the Arab world.

helped to reduce the disruptions to production that have plagued Sudan's other domestic sugar factories... The original sugar development programme had a target

monopoly over the sugar trade has come under close scrutiny and the price being paid for sugar from the local factories has doubled since last year from around Sudan£120 (£74.32) to Sudan£250 per tonne.

Rumours unsettle metal markets

BY JOHN EDWARDS, COMMODITIES EDITOR

A BEWILDERING variety of rumours caused further confusion and uncertainty in the London metal markets yesterday... The bullion spot price ended \$6 down at \$386.5.

processing plant in Montreal that started on Sunday... The company said that deliveries to Europe represented about 45 per cent of the output at the refinery, which has an annual capacity of some 480,000 short tons.

37 cents a pound... There was some nervousness in the tin market when the buffer stock of the International Tin Council failed to start supporting buying during early trading when prices fell back.

Fall in farm land sales

By Our Commodities Staff

THE NUMBER of reported agricultural land sales in the three months ending March 1982 were more than 50 per cent down on figures for the same period in any of the last five years according to the Ministry of Agriculture.

Lead and zinc were steady, with more U.S. zinc producers raising their domestic selling prices for zinc by 2 cents to

Better gold demand forecast... JOHANNESBURG — There should be a further strengthening of demand for gold this year, while the supply of newly-mined gold to the market is unlikely to increase, according to Robin Plumbridge, chairman of Gold Fields of South Africa.

supply and demand were nearly balanced in 1981, and there may have been a small reduction in bullion stocks for the first time since 1972, Mr Plumbridge said.

BRITISH COMMODITY MARKETS

Table with columns for BASE METALS, COPPER, ZINC, ALUMINUM, TIN, and various grades and prices.

PRICE CHANGES

Table with columns for May 5 1982, + or -, and Month ago, listing various metals and their price movements.

INDICES

Table showing FINANCIAL TIMES, MOODY'S, and DOW JONES indices for May 4 and 5.

COFFEE

Table showing COFFEE prices for various grades like Arabica and Robusta.

GAS OIL FUTURES

Table showing GAS OIL FUTURES prices for different months.

SOYABEAN MEAL

Table showing SOYABEAN MEAL prices for various grades.

WHEAT

Table showing WHEAT prices for different grades and origins.

SUGAR

Table showing SUGAR prices for various grades like London Daily Price.

COTTON

Table showing COTTON prices for different grades.

WOOL FUTURES

Table showing WOOL FUTURES prices for various grades.

POTATOES

Table showing POTATOES prices for different grades.

MEAT/VEGETABLES

Table showing MEAT/VEGETABLES prices for various items.

GOLD MARKETS

Table showing GOLD MARKETS prices for various locations.

LONDON FUTURES

Table showing LONDON FUTURES prices for various commodities.

AMERICAN MARKETS

Table showing AMERICAN MARKETS prices for various commodities.

EUROPEAN MARKETS

Table showing EUROPEAN MARKETS prices for various commodities.

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Gould to sell electrical business

By Our Financial Staff
GOULD the Illinois-based electronics and electrical products group, plans to sell a major part of its electrical products business in the current quarter.

Canadian Pacific profits plunge in first quarter

By Our Financial Staff
EARNINGS at Canada Pacific Ltd, Canada's largest transport and communications group, were sliced by two-thirds in the opening quarter of this year, from C\$133.4m to C\$46.9m (U.S.\$42.6m).

Armco warns of bleak outlook

By David Lascelles in New York
"GRIM AND TERRIBLE" is how senior executives of Armco, the large U.S. steel company, yesterday described the state of the U.S. steel industry as it goes through its worst recession in decades.

DM 100m bond for French railways

By Alan Friedman
SNCF, the French state railway, is raising DM 100m in the Euro D-Mark bond market. The 10-year issue, launched yesterday by Commerzbank, carries a coupon of 8 1/2 per cent and a price of 99 1/2 to yield 8.67 per cent.

Earnings collapse at Total group

By Terry Doudworth in Paris
THE SHARP deterioration in French oil company earnings last year was confirmed last night by Compagnie Francaise des Petroles (CFP), the Total group, whose net consolidated profits have fallen from FF5.6bn to FF2.87bn (\$145m).

N Telecom drops Alfa venture

By Robert Gibbens in Montreal
NORTHERN TELECOM, the largest manufacturer of telecommunications equipment in Canada, has dropped out of a joint venture in Mexico because of the financial problems of its partner, Grupo Industrial Alfa.

Sweden to raise \$500m

By Our Euromarkets Staff
THE KINGDOM of Sweden is raising \$500m through a five-year credit geared toward the U.S. banking market.

Sweden to raise \$500m

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THE KINGDOM of Sweden is raising \$500m through a five-year credit geared toward the U.S. banking market.

Banking boutique-style in Beverly Hills

By Louise Kehoe in San Francisco
BANKING in Beverly Hills means providing the affluent with personal services much broader than a cheque book and a safe deposit box, according to Mr Ronald H. Malin, who plans to open the International Bank of North America (IBNA) later this year.

Moore hit by currency factors

By Our Financial Staff
MOORE CORPORATION of Toronto, the world's largest business forms manufacturer, reported first quarter earnings down to US\$55m or 89 cents per share from US\$80.2m or US\$1.08 per share.

FT INTERNATIONAL BOND SERVICE

Table listing international bond issues with columns for U.S. Dollar, Deutsche Mark, Yen, and other currencies. Includes sections for Floating Rate, Convertible, and Straight Bonds.

Advertisement for A/S EKSPORTEFINANS, featuring a logo and a list of international banks and financial institutions.

How Morgan helps treasurers make money in today's tough money markets



Four of the Morgan officers who solved a client's long-term financing problem with a foreign currency borrowing privately placed and hedged into U.S. dollars. From left, Jonathan Seem, head of the bank's Far West Department; Maureen Hendricks, International Financial Management; Robert Engel, Executive Vice President and Treasurer; Bruno Eberli, Foreign Exchange Trading.

Succeeding in world financial markets may be even tougher tomorrow than it is today. The choices are multiplying. The risks are rising. The rules—and rates—keep changing. Now, more than ever, corporate treasurers need up-to-the-minute money-market information, sound advice, timely execution. And ideas.

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Companies and Markets

EXPORTS ADVANCE BY 17%

Siemens improves first-half results

BY STEWART FLEMING IN FRANKFURT

SIEMENS, West Germany's largest electrical company, has reported an 8.5 per cent improvement in its earnings in the first six months of its current financial year.

Table with 3 columns: Year, Sales DM, Net profits DM. Rows for 1976-1981.

which rose by 17 per cent to DM 10.2bn, compared with a 9 per cent rise to DM 7.9bn, in sales in Germany.

Growth at Peico despite stoppage

By R. C. Murphy in Bombay

PEICO ELECTRONICS and Electricals, the Indian lamp manufacturer in which Philips has a 40 per cent holding, achieved a 17.8 per cent increase in earnings to Rs 183.3m (\$18.5m) last year.

Record profits and higher payout at Esso Malaysia

BY WONG SULONG IN KUALA LUMPUR

ESSO MALAYSIA, a subsidiary of Exxon, has reported a record after-tax earnings up by 87 per cent to 67.7m ringgit (\$29.4m) for 1981 and the company is paying a final dividend of 50 cents, making 150 cents for the year compared with 65 cents in 1980.

processed 38,200 barrels a day, a 7 per cent improvement, while sales of oil products were 29 per cent higher at 1,528m ringgit.

petrol. The company also expects Petronas, the Malaysian Government oil company, to expand its network of petrol stations, and Esso's ammonia business continues to be weak because of keen competition in the fertilizer trade.

U.S. chip makers see upturn

BY LOUISE KEHOE IN SAN FRANCISCO

THE RECESSION is over for the U.S. semiconductor chip industry, according to leading figures in the industry. Encouraged by increasing order rates, the chip makers believe that they are on the way to recovery from the two-year-long trough which has severely reduced profitability and compounded the problems of increasing international competition.

South African cement group pulls ahead

By Thomas Sparks in Johannesburg

PRETORIA Portland Cement, one of South Africa's major cement producers, saw pre-tax profits rise from R26.1m to R33.4m (\$31.9m) in the first half ending March 31.

Khalij Commercial Bank receives capital boost

BY MARY FRINGS IN BAHRAIN

KHALIJ COMMERCIAL Bank, a privately owned bank in Abu Dhabi, which is understood to have incurred some doubtful debts on loans to contractors, has boosted its capital strength with the help of a UAE DH 500m (\$133m) subordinated loan arranged by a major shareholder.

Isetan Singapore tops forecast

By George Lee in Singapore

ISETAN (SINGAPORE), the Singapore joint venture department store operator of the Isetan group of Japan, has reported a sharp improvement in earnings, exceeding its own forecast, for the year ended November 1981.

Romatex hit by downturn in spending

BY OUR JOHANNESBURG CORRESPONDENT

A DOWNTURN in spending on semi-durables by South Africans has badly hurt Romatex, the country's largest furniture manufacturer, in the six months ended March. First-half trading income fell to R22.5m (\$21.4m) from R25.4m in the same period a year ago and compares with R55.2m for the full year to September.

Another measure of the level of industry activity — orders for the raw silicon wafers from which chips are made — are up 70 per cent, according to Siltec, a major California supplier. "We have seen a steady improvement since February," commented Mr James M. Hansell, finance vice-president.

JAPANESE COMPANY RESULTS

Marginal rise in earnings for Asahi Glass

ASAHI GLASS, Japan's leading glass manufacturer lifted consolidated net income for 1981 to Y23.85bn (\$101m) from Y23.63bn. Operating profits were Y47.18bn against Y50.34bn on sales of Y525.29bn compared with Y519.93bn.

product sales representing 33.5 per cent of the total fell 0.9 per cent. Mitsubishi Petrochemical Company incurred a net loss for 1981 of Y1.46bn against profits of Y3.97bn.

Net loss per share was Y6.84, against a Y8.94 profit in 1980. Sluggish earnings were blamed on deteriorating market conditions, especially in the second half. Demand in the car industry also waned.

The net earnings drop was attributed to a corporate tax increase. The company is anticipating net earnings up by 21.5 per cent to about Y4.6bn in 1982 on sales ahead by 4.4 per cent to about Y265bn.

Cemento Andino, S.A. Valera, Venezuela. US \$ 76,395,348.84 Medium-Term Loan. Managed by Saudi International Bank, Libra Bank Limited.

Ameron AMERON SAUDI ARABIA LTD. Ameron Jubail Ltd. US \$ 30,652,500 Syndicated Guarantee Facility. Managed by Saudi International Bank.

Banco Morgan Finansa US \$ 40,000,000 Medium-Term Loan. Managed by Saudi International Bank, Banco Internacional de Colombia.

Ameron AMERON SAUDI ARABIA LTD. Ameron Jubail Ltd. SR 60,000,000 Medium Term Loan. Managed by Saudi International Bank.

Companies and Markets

NEW YORK

Table of stock prices for various companies in New York, including columns for Stock, May 4, May 5, and May 6.

Stock

Table of stock prices for various companies, including columns for Stock, May 4, May 5, and May 6.

Further early Wall St rally

TUESDAY'S RALLY ON Wall Street was extended yesterday morning in further active trading...

Canada

Markets showed a downward tendency in light early dealings, with the Toronto Composite Index weakening 4.9 to 1,531.1 at noon...

Switzerland

Share prices closed mainly lower in above average turnover as substantial selling erased earlier gains.

Hong Kong

An early improvement in share prices was checked by late profit-taking as the market continued its consolidation phase after recent gains.

Germany

In a session that seemed preoccupied with fresh news of combat over the Falkland Islands, stock prices generally receded yesterday in moderate trading.

Australia

Markets tended to drift modestly easier on low volume, with local and overseas traders remaining active but despite overnight improvements on Wall Street and London stock markets.

Johannesburg

Gold shares turned easier with the Bullion price at the close in the day trading after falling to show any clear trend earlier.

Tokyo

Markets were closed yesterday for the Children's Day holiday.

Indices

Table of indices for New York, Dow Jones, and other markets.

STANDARD AND POORS

Table of Standard and Poors indices.

CANADA

Table of Canadian stock prices.

Belgium (continued)

Table of Belgian stock prices.

HOLLAND

Table of Dutch stock prices.

AUSTRALIA

Table of Australian stock prices.

DENMARK

Table of Danish stock prices.

FRANCE

Table of French stock prices.

ITALY

Table of Italian stock prices.

NORWAY

Table of Norwegian stock prices.

GERMANY

Table of German stock prices.

SWEDEN

Table of Swedish stock prices.

SWITZERLAND

Table of Swiss stock prices.

HONG KONG

Table of Hong Kong stock prices.

AUSTRIA

Table of Austrian stock prices.

Belgium/Luxembourg

Table of Belgian/Luxembourg stock prices.

South Africa

Table of South African stock prices.

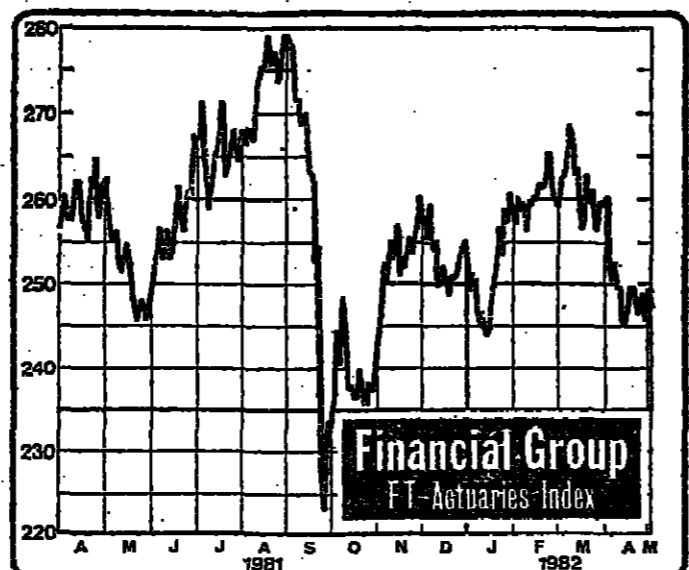
BRAZIL

Table of Brazilian stock prices.

Notes and disclaimers regarding the data provided in the tables.

Upward trend in markets reversed as tension mounts over Falklands—Share index falls 8.8 to 575.4

Account Dealing Dates
Optima
*First Declared Last Account Dealings
Mar 29 Apr 15 Apr 26 Apr 19 Apr 28 Apr 29 May 10 Apr 30 May 13 May 14 May 24



Research lost 10 at 270p, while Thomas Tilling came on offer at 139p, down 4, and Johnson Matthey gave up 5 at 262p. Trident TV shed 7 to 78p awaiting the casino licence decision...

RECENT ISSUES

EQUITIES

Table of recent equity issues with columns for Issue Price, Latest Bid, Latest Offer, High, Low, and Stock name.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for Issue Price, Latest Bid, Latest Offer, High, Low, and Stock name.

"RIGHTS" OFFERS

Table of rights offers with columns for Issue Price, Latest Bid, Latest Offer, High, Low, and Stock name.

FINANCIAL TIMES STOCK INDICES

Table showing various stock indices: Government Secs, Fixed Interest, Industrial Ord., Gold Mines, etc., with values for May 5 and May 4.

HIGHS AND LOWS S.E. ACTIVITY

Table showing high and low prices and S.E. activity for various stock categories like Govt. Secs, Fixed Int., Ind. Ord., and Gold Mines.

The South Atlantic prompted a fresh fall of 8 to 385p in Leyds on revived fears that the bank's substantial Argentinian assets might be frozen...

Marked defensively lower at the outset, leading Builders steered to close with modest losses on balance. Blue Chip finishing 2 cheaper at 482p...

Thorn EMI dull
Marked sharply lower at the outset of trading, leading Stores attracted sporadic investment support during the afternoon...

Oils nervous

Leading Oils met scrappy selling, British Petroleum losing 8 to 310p and Shell 4 to 405p. The chairman's statement at the annual meeting was not apparent impact on Lasso which remained 8 down at 34p...

Gold down again

South African industrials were irregular. Tiger Oats added 25 to 800p following the results, but Greentamers A remained under

OPTIONS

First Last Deal-Declar- Last For Settling- ment
Apr 26 May 7 July 29 Aug 9 May 10 Jun 21 Aug 12 Aug 23 May 24 June 11 Sept 2 Sept 13

ACTIVE STOCKS

Table of active stocks with columns for Stock name, Closing price, Day's change, and Stock name, Closing price, Day's change.

TUESDAY'S ACTIVE STOCKS

Table of Tuesday's active stocks with columns for Stock name, No. of closing price changes, Day's price change, Stock name, No. of closing price changes, Day's price change.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table of FT-Actuaries Share Indices with columns for Equity Groups & Sub-sections, Index No., Index, and Year open.

FIXED INTEREST

Table of fixed interest rates with columns for Price, Yield, and Maturity.

NEW HIGHS AND LOWS FOR 1982

The following quotations in the Share Information Service yesterday set new high and low for 1982.

Table of new highs and lows for 1982, categorized by Americans, Canadians, Bcers, Buildings, Chemicals, Electricals, Engineering, Foods, Industrials, Motors, Paper, Shipping, Tobacco, Trusts, and New Lows.

RISES AND FALLS YESTERDAY

Table showing rises and falls in various stock categories like British Funds, Industrials, and Others.

Advertisement for Helaba Luxembourg Progress in 1981, featuring Hesseische Landesbank International S.A. and listing various financial services and assets.

Advertisement for Nfls 100,000,000 N.V. Philips' Gloeilampenfabrieken, offering 10% bearer notes due 1987.

CURRENCIES and MONEY

Sterling weak

Sterling fell in currency markets yesterday reflecting further weakness around the Falkland Islands. Trading remained extremely nervous.

The dollar was also weaker as the market looked towards lower U.S. interest rates. Euro-dollar rates were weaker yesterday.

The Italian lira remained the weakest member of the European Monetary System yesterday followed by the Belgian franc.

Three-month interbank 9.175 per cent (11.475 per cent six months ago). Annual inflation 5.2 per cent (5.8 per cent previous month).

The dollar was also weaker as the market looked towards lower U.S. interest rates. Euro-dollar rates were weaker yesterday.

The Italian lira remained the weakest member of the European Monetary System yesterday followed by the Belgian franc.

THE POUND SPOT AND FORWARD

Table with columns: May 5, Day's spread, Close, One month, % Three months, % Six months. Rows include U.S., Canada, Netherlands, Denmark, Ireland, Portugal, Spain, Italy, Norway, France, Sweden, Japan, Austria, Switzerland.

THE DOLLAR SPOT AND FORWARD

Table with columns: May 5, Day's spread, Close, One month, % Three months, % Six months. Rows include UK, Ireland, Canada, Netherlands, Belgium, Denmark, West Germany, Spain, Italy, Norway, Sweden, Japan, Austria, Switzerland.

CURRENCY MOVEMENTS

Table with columns: May 5, Bank of England Index, Morgan Guaranty Units, % change from previous day, % change from previous month, Divergence limit %.

CURRENCY RATES

Table with columns: May 5, Bank of England Index, Morgan Guaranty Units, % change from previous day, % change from previous month, Divergence limit %.

OTHER CURRENCIES

Table with columns: May 5, Argentina Peso, Australia Dollar, Brazil Cruzeiro, Finland Markka, Greek Drachma, Hong Kong Dollar, Indian Rupee, Japanese Yen, Luxembourg Franc, Malaysia Dollar, New Zealand Dollar, Saudi Arab. Riyal, Singapore Dollar, South African Rand, U.A.E. Dirham.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: ECU central rates, % change from previous day, % change from previous month, Divergence limit %.

EXCHANGE CROSS RATES

Table with columns: May 5, Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

FT LONDON INTERBANK FIXING (11.00 a.m. MAY 5)

Table with columns: 3 months U.S. dollars, 6 months U.S. dollars, bid 14/15, offer 15.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: May 5, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-Mark, French Franc, Italian Lira, Japanese Yen, Danish Krone.

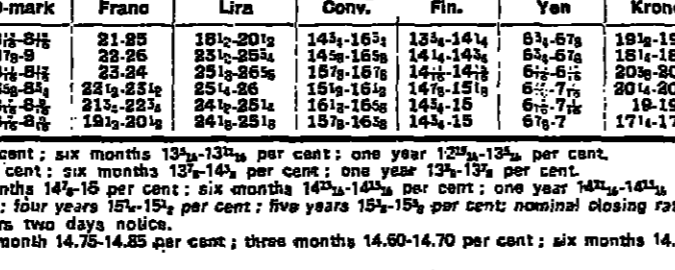
MONEY MARKETS

London quiet but nervous. UK clearing bank base lending rate 12 per cent (since March 12). Conditions were very quiet in the London money market yesterday.

EUROCURRENCIES

Eurodollars weaker yesterday, but other Eurocurrencies rates showed mixed changes. Sterling rates showed a firmer trend in general.

STERLING



LONDON MONEY RATES

Table with columns: May 5, Sterling, Interbank, Local Authority, Local Authority, Finance House, Discount, Treasury, Eligible, Fine Trade.

JAPAN

Table with columns: Discount rate, 3 months, 6 months, 12 months, 18 months, 24 months.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Large grid of financial data listing various trust services, including Abbey Unit Trst. Mgrs., Abnro Unit Trst. Mgrs., Abnro Unit Trst. Mgrs. (a), Abnro Unit Trst. Mgrs. (b), Abnro Unit Trst. Mgrs. (c), Abnro Unit Trst. Mgrs. (d), Abnro Unit Trst. Mgrs. (e), Abnro Unit Trst. Mgrs. (f), Abnro Unit Trst. Mgrs. (g), Abnro Unit Trst. Mgrs. (h), Abnro Unit Trst. Mgrs. (i), Abnro Unit Trst. Mgrs. (j), Abnro Unit Trst. Mgrs. (k), Abnro Unit Trst. Mgrs. (l), Abnro Unit Trst. Mgrs. (m), Abnro Unit Trst. Mgrs. (n), Abnro Unit Trst. Mgrs. (o), Abnro Unit Trst. Mgrs. (p), Abnro Unit Trst. Mgrs. (q), Abnro Unit Trst. Mgrs. (r), Abnro Unit Trst. Mgrs. (s), Abnro Unit Trst. Mgrs. (t), Abnro Unit Trst. Mgrs. (u), Abnro Unit Trst. Mgrs. (v), Abnro Unit Trst. Mgrs. (w), Abnro Unit Trst. Mgrs. (x), Abnro Unit Trst. Mgrs. (y), Abnro Unit Trst. Mgrs. (z).

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INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

Table listing various insurance companies and their managed funds, including details like company names, fund names, and numerical values.

Table listing insurance companies and their managed funds, continuing from the previous table.

Table listing insurance companies and their managed funds, continuing from the previous table.

Table listing insurance companies and their managed funds, continuing from the previous table.

NOTES: Information regarding the accuracy of the data, currency conversion rates, and other important details for investors.

FT SHARE INFORMATION SERVICE

Branches throughout the UK AFA-MINERVA FIRE PROTECTION AND SECURITY LTD

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and % Change. Includes sections for 'Shorts' (Lives up to Five Years) and 'Over Fifteen Years'.

INDEX-LINKED & VARIABLE RATE

Table of Index-Linked & Variable Rate funds with columns for Name, Price, and % Change.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues with columns for Name, Price, and % Change.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Price, and % Change.

COMMONWEALTH AND AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Name, Price, and % Change.

LOANS Public Board and Ind.

Table of Loans Public Board and Industrial with columns for Name, Price, and % Change.

LOANS—Continued

Continuation of Loans table with columns for Name, Price, and % Change.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, Price, and % Change.

AMERICANS

Table of American stocks with columns for Name, Price, and % Change.

BANKS & H.P.—Cont.

Continuation of Banks & H.P. table with columns for Name, Price, and % Change.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Price, and % Change.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Price, and % Change.

CANADIANS

Table of Canadian stocks with columns for Name, Price, and % Change.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Price, and % Change.

CHEMICALS, PLASTICS—Cont.

Continuation of Chemicals, Plastics table with columns for Name, Price, and % Change.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, and % Change.

ELECTRICALS

Table of Electricals with columns for Name, Price, and % Change.

ENGINEERING—Continued

Continuation of Engineering table with columns for Name, Price, and % Change.

FOOD, GROCERIES—Cont.

Continuation of Food, Groceries table with columns for Name, Price, and % Change.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Name, Price, and % Change.

INDUSTRIALS (Misc.)

Table of Industrial (Miscellaneous) stocks with columns for Name, Price, and % Change.

FOOD, GROCERIES—Cont.

Continuation of Food, Groceries table with columns for Name, Price, and % Change.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Name, Price, and % Change.

INDUSTRIALS (Misc.)

Table of Industrial (Miscellaneous) stocks with columns for Name, Price, and % Change.

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CHEMICALS, PLASTICS

Table of Chemicals, Plastics with columns for Name, Price, and % Change.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Price, and % Change.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for Name, Price, and % Change.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for Name, Price, and % Change.

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INDUSTRIALS—Continued

LEISURE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

OIL AND GAS—Continued

MINES—Continued

Table of Industrial stocks including Anglo, BHP, British Steel, etc.

Table of Leisure stocks including British Airways, British Telecom, etc.

Table of Property stocks including British Land, etc.

Table of Investment Trusts including Anglo-Saxon, etc.

Table of Oil and Gas stocks including Anglo, etc.

Table of Mines stocks including Anglo, etc.

MOTORS, AIRCRAFT TRADES

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

OVERSEAS TRADERS

RUBBERS AND SISALS

Table of Motors, Aircraft Trades stocks.

Table of Shipping stocks.

Table of Shoes and Leather stocks.

Table of South African stocks.

Table of Overseas Traders stocks.

Table of Rubbers and Sisals stocks.

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

TOBACCO

TRUSTS, FINANCE, LAND

TEAS

MINES

Table of Newspapers and Publishers stocks.

Table of Paper, Printing and Advertising stocks.

Table of Tobacco stocks.

Table of Trusts, Finance, and Land stocks.

Table of Teas stocks.

Table of Mines stocks.

PROPERTY

INSURANCE

TRUSTS, FINANCE, LAND

OIL AND GAS

DIAMOND AND PLATINUM

REGIONAL MARKETS

Table of Property stocks.

Table of Insurance stocks.

Table of Trusts, Finance, and Land stocks.

Table of Oil and Gas stocks.

Table of Diamond and Platinum stocks.

Table of Regional Markets.

LEISURE

PROPERTY

INSURANCE

OIL AND GAS

DIAMOND AND PLATINUM

REGIONAL MARKETS

Table of Leisure stocks.

Table of Property stocks.

Table of Insurance stocks.

Table of Oil and Gas stocks.

Table of Diamond and Platinum stocks.

Table of Regional Markets.

Notes, Options, and Miscellaneous information at the bottom of the page.

Yorkshire & Humberside means Business

Yorkshire & Humberside Development Association 10 Woodhouse Square, Leeds LS2 1AD Telephone: (0532) 444639

FINANCIAL TIMES

Thursday May 6 1982

Wallis For Construction 01-464 3377

APRIL SURVEY FINDS LITTLE EVIDENCE OF RECOVERY

Howe too optimistic, says CBI

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITISH manufacturing industry is showing little evidence of any substantial recovery from the recession, the Confederation of British Industry said yesterday.

The CBI's latest quarterly trends survey of nearly 1,700 companies, published yesterday, showed some increase in business optimism for the future.

The survey also indicates that investment in manufacturing industry will start to increase this year but will be less for the whole of 1982 than in 1981.

with 91 per cent of firms expecting production to be limited by shortage of demand.

Exxon to raise \$500m by bonds

BY PAUL BETTS IN NEW YORK

EXXON, the world's largest oil company, yesterday announced its return to the debt market after eight years to raise up to \$500m (£276.9m) to finance its U.S. operations for the rest of the year.

The rule relieves most securities issuers of the costly and time-consuming need to register separately with SEC every time they come to market.

A senior Exxon financial official said yesterday the concept of a universal debt security had to be proven.

Eurodollar security can be sold on the U.S. market.

National dock strike may be called off

By David Goodhart and Brian Green

THE NATIONAL dock strike due to start on Monday may be called off. The docks and waterways committee of the Transport and General Workers' Union decided yesterday to urge that it be suspended.

Sainsbury's profits and sales continue to defy recession

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE SALES and profits surge by the J. Sainsbury supermarket chain continued over the past 12 months, according to preliminary figures issued by the company yesterday.

At 13.2 per cent, while Tesco's was 13.7 per cent. However, in January-March this year, Sainsbury's average market share was 14.6 per cent compared to 13.3 per cent for Tesco.

The Sainsbury sales performance over the past 12 months was helped by a 6 per cent growth in volume at existing stores, plus a further 7 per cent at new stores.

The recommendation will go before a recalled delegate conference of dockers in London on Saturday.

Navy lacks defence Continued from Page 1

that the government would not have finally decided to develop a new system if the current one had been successful.

Again, however, experts disagree as to the effectiveness of such devices.

skimming phase.

Continued from Page 1

Haig

minister. They told the whips that they would not support the Government if there was any direct military attack on airfields on the Argentine mainland.

Continued from Page 1

Financial markets

selling, the market recovered, with the index down eight points only. It closed 8.8 points down, at 575.4.

Continued from Page 1

total deposits in the UK were \$7.2bn, according to Bank of England December 1981 figures.

Mexico to seek loan of over \$2bn

By Alan Friedman

MEXICO will announce today plans to seek between \$2bn and \$2.5bn (£1.1bn-£1.4bn) through an international syndicated loan bearing significantly higher interest margins than in previous deals.

The announcement will be made in New York by Sr Angel Gurria, director of Mexico's external public debt.

Today's meeting of Mexican Finance Minister officials and bankers has been arranged by the Bank of America, which is co-ordinating the loan.

The stock market had braced itself for very poor first-quarter figures from General Accident, but the reported result, a pre-tax loss of £1.1m compared with a profit of £19.5m, was still about £15m adrift of the more pessimistic estimates.

General Accident

The last large Mexican Government international loan was a \$700m eight-year credit last summer, bearing a spread of 1 1/2 percentage points over Libor.

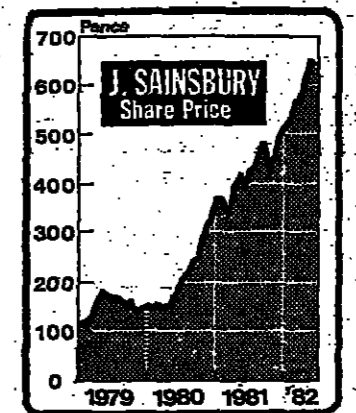
Weather

UK TODAY

THE LEX COLUMN GA's quarter of accidents

The London financial markets were highly nervous yesterday in the aftermath of the sinking of HMS Sheffield, but the fall in prices was relatively modest.

Index fell 8.8 to 575.4



The stock market had braced itself for very poor first-quarter figures from General Accident, but the reported result, a pre-tax loss of £1.1m compared with a profit of £19.5m, was still about £15m adrift of the more pessimistic estimates.

More worrying is the underlying deterioration in the market. Australia and Canada are still showing no sign of recovery, while the overall operating ratio in the U.S. has crept up to 111 per cent.

P & O

Sainsbury

Banking Executives of outstanding ability

Currently Earning £20,000-£50,000

re-rating—and the company has provided a helping hand by hiking up the dividend. At the interim stage pre-tax profits were down from £12.9m to £0.7m, yet at the full year the decline has been shorted to £7m, for an out-turn of £41m.

In the current year, although trading conditions are turning down for OCL, there should be a profits recovery based on fewer industrial disputes and lower fuel costs after re-engineering.

NCC Energy

P & O

Sainsbury

BR to introduce low fares on London-Scottish route

BRITISH RAIL is to introduce, on May 17, a range of low first-class fares for non-sleeper travel every night between London and Scotland.

Continued from Page 1

burgh, Glasgow and Falkirk £12, Dundee and Kirkcaldy £14, Aberdeen £16.

Continued from Page 1

caldy (0633), Dundee (0715) and Aberdeen (0833).

Continued from Page 1

Continued from Page 1